CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

MEMORANDUM

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HW6990
ROPS N/A

DATE: SEPTEMBER 3, 2015

TO: GOVERNING BOARD

FROM: STEVE VALENZUELA, CHIEF EXECUTIVE OFFICER

STAFF: BARRON MCCOY, CHIEF OPERATING OFFICER
CRAIG BULLOCK, SPECIAL OPERATIONS OFFICER

SUBJECT: **Land Use Approval, 6630 and 6634 Sunset Blvd. – Non-Monetary Action.** Resolution certifying that the proposed development of a 6-story mixed use development, exceeding a 2:1 FAR, incorporating the façade of a historic structure containing 34 market-rate residential units and ground floor retail/commercial space conforms to the Hollywood Redevelopment Plan and authorization for the Chief Executive Officer to negotiate and execute a Owner Participation Agreement with A.J. Kahair Construction Inc. for the redevelopment of the aforementioned property.

RECOMMENDATIONS

That the Governing Board take the following actions:

1. Adopt a Resolution (Attachment A) certifying that the Governing Board has reviewed and determined that the proposed development of a 6-story mixed use development, exceeding a 2:1 FAR, incorporating the façade of a historic structure containing 34 market rate residential units and ground floor retail/commercial space conforms to the Hollywood Redevelopment Plan.

2. Authorize the CEO, or designee, to negotiate and execute an Owner Participation Agreement (OPA) with A.J. Kahair Construction Inc. to allow construction of a 6-story mixed use development, exceeding a 2:1 FAR, incorporating the façade of a historic structure containing 34 market-rate residential units and ground floor retail/commercial development on the property located at 6630 and 6634 Sunset Boulevard.

SUMMARY

The recommended actions facilitate the development of a 39,405 square foot, 6-story mixed use development, with a 2.8:1 FAR, which incorporates the façade of a historic structure, and includes 34 market-rate residential units and 5,034 square feet of ground floor retail/commercial development on a 13,824 square foot (0.32 acres) parcel.

The recommended actions would allow the developer to satisfy "D" conditions prescribed by Ordinance No. 165658 (Attachment C) passed by the Los Angeles City Council on March 21, 1990. The "D" condition within the ordinance stipulates that any development with FAR over 2:1 is not permissible without entering into an owner participation agreement with CRA/LA.

DISCUSSION & BACKGROUND

Location

The Project Site, located at 6630 and 6634 Sunset Boulevard, consists of two parcels totaling 13,824 square feet (0.32 acres). The Project Site is bounded by Sunset Boulevard to the north, Cherokee Avenue to the west, Seward Street to the east, and Leland Way to the south. A two-story retail/commercial space, which is designated as a historic resource, is currently located on a portion of the Project Site (i.e. 6634 Sunset Boulevard).

Developer Entity

The Developer is A.J. Kahair Construction, Inc. (Applicant), which has completed a number of mixed use developments, single family and commercial projects in the greater Los Angeles area. The Applicant has worked on projects of similar and larger sizes in Hollywood, West Hollywood, Santa Monica and in the San Fernando Valley. In addition, the Applicant is experienced in the adaptive re-use of historic structures, including the nearby Vogue Theater.

Description, Project Context and Project History

The Applicant proposes to construct a 39,405 square foot 6-story mixed use development, containing 34 market-rate residential units and 5,034 square feet of ground floor retail/commercial space (the "Project") on two parcels. The proposed project will incorporate the façade of the historic structure located at 6634 Sunset Boulevard. The proposed Project has an FAR of 2.8:1, which exceeds the FAR allowable by Ordinance 165658 unless the CRA/LA Governing Board determines that the Project conforms to the Hollywood Redevelopment Plan and the Applicant enters into an Owner Participation Agreement (OPA) with CRA/LA memorializing how the Project conforms to the Redevelopment Plan. In addition, the OPA should document the community benefits being provided. The retention and restoration of portions of the historic building will be the community benefit for this Project.

Since the City Council's adoption of Ordinance 165,658 on March 21, 1990, the City of Los Angeles has adopted a new city charter. The new charter modified, created and eliminated authorities, functions and responsibilities of elected officials and City departments not found in the original charter. As a result of the new charter, this Project does not meet the threshold of Planning Commission hearing. The City of Los Angeles, acting through the Department of City Planning, has provided approval for the Project conditioned on the Applicant meeting and evidencing CRA/LA approval along with an executed OPA.

The Project Site is 13,824 square feet and is zoned C4-2D-SN, within Height District 2. The Site's "D" conditions restrict the FAR to 2:1. A proposed development may exceed the 2:1 FAR provided that the CRA/LA Governing Board finds that the Project conforms to the (1) Hollywood Redevelopment Plan, (2) Transportation Plan adopted by the CRA/LA Board, if applicable, and (3) any designs for developments pursuant to Section 503 of the Hollywood Redevelopment Plan. There is no Transportation Plan or Design for Development plan in the Hollywood Redevelopment Project Area.

To satisfy the "D" condition associated with the Project Site, the Applicant intends to enter into an OPA with CRA/LA. The City of Los Angeles, acting through the Department of City Planning, has provided approval for the Project conditioned on the Applicant evidencing CRA/LA approval via an executed OPA.

The Project Site is subject to the Settlement Agreement and Mutual Release Agreement (Agreement) between CRA/LA, the City of Los Angeles, Hollywood Heritage, Inc., and Peak Financial Partners, Inc. That agreement requires that the CRA/LA notify Hollywood Heritage upon receiving requests for clearances on demolition permits for structures with a historic rating 50 years of age or older. CRA/LA notified Hollywood Heritage of the request for a CRA/LA clearance for the demolition of the structures on 6630 and 6634 Sunset Boulevard. It was determined, with Hollywood Heritage's concurrence, that the structure at 6630 Sunset Boulevard was not historic. CRA/LA subsequently provided a demolition clearance for the 6630 structure on June 17, 2014. The structure at 6634 Sunset Boulevard was determined to be a historic resource. Consequently, the demolition permit has not been cleared.

Because of the historic designation, the Applicant modified the Project to incorporate the historic elements of the 6634 structure, including the entire two-story façade and the first 25 feet of the portion of the building fronting Sunset Boulevard. Hollywood Heritage supports the incorporation of substantial portions of the historic building into the Project.

The Applicant is working on a final set of construction drawings (Drawings) that will incorporate the portion of the historic resource into the Project. The Drawings will be reviewed by CRA/LA staff to determine the extent to which the historic features of the building have been incorporated into the Project. In addition, the incorporation of the historic resource will be memorialized in the OPA that will be negotiated and executed, should approval be granted by the Governing Board. The OPA will ensure that a good faith effort was employed to incorporate the historic structure into the Project.

The Project, designed by David Kellen of David Kellen & Associates and Ken Stockton of Stockton Architects, will include nine (9) studios; eleven (11) one-bedroom, one-bathroom units; and fourteen (14) one-bedroom, two-bathroom units. In addition, the Project will include 3,562 square feet of open space, 49 vehicular and 28 bicycle parking spaces. Pedestrian access, as well as vehicular and bicycle access, for residential and the commercial components of the Project will be located along Sunset Boulevard. Residential and commercial parking will be separated from one another. Ground floor retail/commercial space, a residential elevator lobby and lounge area will be available to residents and their visitors on the ground floor level.

Conformance to the Hollywood Redevelopment Plan

The Project meets several objectives of Section 300, Redevelopment Plans Goals:

10) Promote the development of sound residential neighborhoods through mechanisms such as land use, density and design standards, public improvements, property rehabilitation, sensitive in-fill housing, traffic and circulation programming, development of open spaces and other support services necessary to enable residents to live and work in Hollywood.

The Project promotes the sensitive in-fill housing in Hollywood by redeveloping an economic obsolete Site with a new mixed use development, while simultaneously preserving a piece of Hollywood history. The incorporation of the façade of the building will further contribute to the unique qualities of the Project. In addition, the Project's proximity to large employment centers and major transportation facilities, such as the Metro Red Line, will contribute to the livability of Hollywood.

11) Recognize, promote and support the retention, restoration and appropriate reuse of existing buildings, groupings of buildings and other physical features especially those having significant historic and/or architectural value and ensure that new development is sensitive to these features through land use and development criteria.

The Project preserves a piece of what is commonly known as "Old Hollywood" by incorporating a large portion of the existing structure into the Project. The preservation of the two-story façade, and the first 25 feet portion of the building fronting Sunset Boulevard, will allow for a new development on an economically obsolete Site that has been vacant for several years. It has been determined by an architectural historian that this is the most significant portion of the structure and qualifies to be registered on the City's Historic-Cultural Monument List.

The historic resource on the Site was constructed in 1919, and was significantly remodeled in 1937. The remodel transformed the structure into the Streamlined Moderne that is seen today. The Streamline Moderne architectural style reached its height in popularity in the 1930s. The style removed many of the ornamental decorations of Art Decco while retaining curves and round features such as windows, doors and other decorative elements. The architecture intended to place a heavy emphasis on the future with its modern features. The period's architectural style was not limited to buildings but was also incorporated into modes of transportation, including ships, trains, automobiles and even recreational vehicles.

The Project meets several objectives within Section 500, Land Uses Permitted in the Project Area, specifically Sections:

511) Preservation, Rehabilitation and Retention of Properties. It has been documented that the Hollywood Project Area contains numerous buildings and groups of buildings with architectural and historical significance; examples include the Hollywood Boulevard Commercial and Entertainment Historic District, Crossroads of the World and the U.S. Post Office which are all listed in the National Register of Historic Places. These buildings represent an important resource and a link to Hollywood's past. Their retention and reuse can provide the basis for the revitalization of the Hollywood Project Area.

Buildings listed as Cultural-Historic Monuments by the City and listed in, determined or eligible for listing in the National Register of Historic Places are determined to be of architectural and/or historic significance.

It has been acknowledged, through a historic resource assessment report (Report), by the Applicant that signification portions of the building being retained have historic significance. Furthermore, the Report indicates that the building appears to be eligible for listing as a City of Los Angeles Cultural-Historic Monument.

The Applicant fully intends to incorporate significant portions of the building that have been identified as having historic importance, which consists of the entire façade of the building. CRA/LA staff is closely working with the Applicant to ensure that Section 511 is administered in a manner honoring the spirit and intent of the Hollywood Redevelopment Plan.

As described above, the Project meets the thresholds of the applicable Sections of the Hollywood Redevelopment Plan. In addition, it has been determined by the Department of City Planning that the Project meets the applicable criteria established in the Hollywood Community Plan.

SOURCE OF FUNDS

No funds are required for this action.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

The recommended approvals constitute a "Land Use Function" as defined under Section 34173(i) of Assembly Bill 1484. On June 20, 2013, the Governing Board approved a resolution authorizing the transfer of all land use plans and functions of the Successor Agency to the City of Los Angeles pursuant to Section 34173(i) of the Health and Safety Code. To date, the City of Los Angeles has not taken all the necessary steps to formally assume the CRA/LA's land use authority which would effectuate such a transfer. The Department of City Planning has been advised of the actions in this memorandum and concurs with recommendations. This action is a land use approval and will not impose a financial obligation on the CRA/LA for purposes of the ROPS.

ENVIRONMENTAL REVIEW

The project is exempt from CEQA pursuant to Section 15332 (In-fill development). The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.(c) The project site has no value, as habitat for endangered, rare or threatened species.(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.(e) The site can be adequately served by all required utilities and public services.

Steve Valenzuela
Chief Executive Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

ATTACHMENTS

Attachment A – Resolution
Attachment B – Location Map
Attachment C – Ordinance 165,658
Attachment D – Renderings

CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

Attachment A

RESOLUTION NO. _____

A RESOLUTION OF THE CRA/LA, A DESIGNATED LOCAL AUTHORITY (SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA), CERTIFYING THAT THE AGENCY FINDS THE PROPOSED DEVELOPMENT LOCATED AT 6630 and 6634 SUNSET BOULEVARD IN THE HOLLYWOOD REDEVELOPMENT PROJECT AREA COMPLIES WITH THE HOLLYWOOD REDEVELOPMENT PLAN

WHEREAS, A.J. Khair Construction Inc., the project applicant proposes to construct a 6-story mixed use development with an FAR of 2.8:1 consisting of 35 units of market-rate residential housing with up to 5,100square feet of ground floor commercial/retail space.

WHEREAS, the City of Los Angeles ("City") acting through the Department of City Planning has determined that this proposed development complies with the Hollywood Community Plan.

WHEREAS, on June 4, 2015 the City of Los Angeles acting through the Department of City Planning approved the project conditioned that the applicant satisfy the "D" condition outlined in Ordinance 165658 passed by the Los Angeles City Council on March 6, 1990, which requires that the CRA/LA Board to make certain findings to allow a project to exceed an FAR 2:1.

NOW, THEREFORE, BE IT RESOLVED by the CRA/LA a Designated Local Authority (Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, California), as follows:

The CRA/LA Governing Board Finds:

1. The Project conforms to the Hollywood Redevelopment Plan as follows:
   The Project meets several objectives of Section 300, Redevelopment Plans Goals:

   10) Promote the development of sound residential neighborhoods through mechanisms such as land use, density and design standards, public improvements, property rehabilitation, sensitive in-fill housing, traffic and circulation programming, development of open spaces and other support services necessary to enable residents to live and work in Hollywood.

The Project promotes the sensitive in-fill housing in Hollywood by redeveloping an economic obsolete Site with a new mixed use development, while simultaneously preserving a piece Hollywood history. The incorporation of the façade of the building will further contribute to the unique qualities of the Project. In addition, the Project's proximity to large employment centers and major transportation facilities, such as the Metro Red Line, will make contribute to the livability of Hollywood.

11) Recognize, promote and support the retention, restoration and appropriate reuse of existing buildings, groupings of buildings and other physical features especially those having significant historic and/or architectural value and ensure that new development is sensitive to these features through land use and development criteria.

The Project preserves a piece of what is commonly known as "Old Hollywood" by incorporating a large portion of the existing structure into the Project. The preservation of the two-story façade, and the first 25 feet portion of the building fronting Sunset Boulevard, will allow for a new development on an economically obsolete Site that has been vacant for several years. It has been determined by an architectural historian that this is the most significant portion of the structure and qualifies to be registered on the City's Historic-Cultural Monument List.

The historic resource currently residing on the Site was constructed in 1919, and was significantly remodeled in 1937. The remodel transformed the structure into the architecture of Streamlined Moderne that is seen today. The Streamline Moderne architectural style reached its height in popularity in the 1930s. The style removed many of the ornamental decorations of Art Decco while retaining curves and round features such as windows, doors and other decorate elements. The architecture intended to place a heavy emphasis on the future with its modern features. This architectural style was not limited to buildings but was also incorporated into modes of transportation, including ships, trains, automobiles and even recreational vehicles.

2. The Project meets several objectives within Section 500, Land Uses Permitted in the Project Area, specifically Sections:

511) Preservation, Rehabilitation and Retention of Properties. It is recognized that the Hollywood Project Area contains numerous buildings and groups of buildings with architectural and historical significance examples of which include the Hollywood Boulevard Commercial and Entertainment Historic District, Crossroads of the World and the U.S. Post Office which are listed in the National Register of Historic Places. It is further recognized that these buildings represent an important resource and a link to Hollywood's past. These can provide the basis for the revitalization of the Hollywood Project Area.

Buildings listed as Cultural-Historic Monuments by the City and listed in, determined or appear to be eligible for listing in the National Register of Historic Places are determined to be of architectural and/or historic significance.

It has been acknowledged, through a historic resource assessment report (Report), by the applicant that signification portions of the building being retained have historic significance. Furthermore, the Report indicates that the building

appears to be eligible for listing as a City of Los Angeles Cultural-Historic Monument.

The applicant fully intends to incorporate significant portions of the building that have been identified as having historic importance, which consists of the entire façade of the building. CRA/LA staff is closely working with the applicant to ensure that Section 511 is administered in a manner honoring the spirit and intent of the Hollywood Redevelopment Plan.

As described above, the Project meets the thresholds of the applicable Sections of the Hollywood Redevelopment Plan. In addition, it has been determined by the Department of City Planning that the Project meets the applicable criteria established in the Hollywood Community Plan.

3. The CEO, or his designee, will negotiate and execute an owner participation agreement that will memorialize the incorporation of the historic façade into the new project.

ADOPTED: _____

Attachment B

Portion of building to be retained
Site

Attachment C

CPC 86-0835 GPC ORDINANCE NO. 165,658

EFF. MAY 6, 1990

HWD-AB883-2 (CRA)

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An ordinance amending Section 12.04 of the Los Angeles Municipal Code by amending the zoning map.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. Section 12.04 of the Los Angeles Municipal Code is hereby amended by changing the zones and zone boundaries shown upon a portion of the zone map attached thereto and made a part of Article 2, Chapter 1, of the Los Angeles Municipal Code, so that such portion of the zoning map shall be as follows:

Sec. 2 Pursuant to Section 12.32 L of the Los Angeles Municipal Code, the following limitation is hereby imposed upon the use of that property shown in Section 1 hereof which is subject to the "D" Development limitation, and which is zoned C4-2-D:

The total floor area contained in all buildings on a lot shall not exceed two (2) times the buildable area of the lot. A project may exceed the 2:1 floor area ratio provided that -

a. The Community Redevelopment Agency Board finds that the project conforms to: (1) the Hollywood Redevelopment Plan, (2) a Transportation Program adopted by the Community Redevelopment Agency Board pursuant to Section 518.1 of the Redevelopment Plan and, if applicable, (3) any Designs for Development adopted pursuant to Section 503 of the Redevelopment Plan; and

b. The project complies with the following two requirements:

A Disposition and Development Agreement or Owner Participation Agreement has been executed by the Community Redevelopment Agency Board, and the Project is approved by the City Planning Commission, or the City Council on appeal, pursuant to the procedures set forth in Municipal Code Section 12.24-B.3.

Sec. 3 The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of MAR 21 1990

ELIAS MARTINEZ, City Clerk,

By Wm Speedie, Deputy.

Approved MAR 28 1990

Tom Bradley, Mayor.

Approved as to Form and Legality

JAMES K. HAHN, City Attorney,

By ..... Deputy.

File No. 86-0695 S1

Pursuant to Sec. 97.8 of the City Ch: , approval of this ordinance recommended for the City Planning Commission

MAR 05 1990

See attached report

Kenneth C Topping by MTT
Director

City Clerk Form 23

165658

(1) N'LY LINE OF LOT 10, HOLLYWOOD HIGH SCHOOL TR

0 200 400
SCALE IN FEET

SHEET No. 469	DM 4507 (144 B 185)	CPC 86-0835 GPC
DIG/RV	(147B181)(147B185)	ORD-165658

SHT 6 OF 18

Attachment D