

June 26, 2018

Nor Brand, LLC
Mr. Mike Balian, Managing Partner
127 North Madison Avenue, Suite 200
Pasadena, CA 91101

**RE: Density Bonus Application PDBP1720852
1838 South Brand Boulevard (& 1845 Topock Street), Glendale CA 91204**

Dear Mr. Balian:

Pursuant to provisions of the Glendale Municipal Code, Title 30, Chapter 30.36, the Planning Division has processed your application for a Density Bonus (PDBP1720852) to construct a new five-story, 80-unit affordable housing project with 10 units being reserved for very low, low and moderate income households in the SFMU (Commercial/Residential Mixed Use) Zone, located at **1838 South Brand Boulevard (including 1845 Topock Street)**, being on Lots 1, 2 and 3 in Block 2 of Tract No. 1578, as per Map recorded in Book 20, Pages 158 and 159 of Maps, in the County Recorder's Office, as well as Lot 22 of Block 2 of Tract No. 1578, in the City of Glendale, County of Los Angeles, State of California.

ENVIRONMENTAL RECOMMENDATION: Exempt from CEQA review as an "Affordable Housing" exemption, pursuant to Section 15194 of the State CEQA Guidelines, because the project site is not more than five acres, is located within a census-defined place with a population density of at least 5,000 persons per square mile, has been previously developed for qualified urban uses, and the project consists of the construction of residential housing less than 100 units that are affordable to low-income households, and the developer has provided sufficient legal commitments to ensure the continued availability of the affordable housing units for at least 30 years.

REQUIRED/MANDATED FINDINGS

The applicant is seeking a mandatory density bonus under Glendale Municipal Code ("GMC") Section 30.36. Under GMC Section 30.36.050(A), upon submittal of an application for a housing development or donation of land, a density bonus and incentives or concession shall be granted when the applicant agrees to construct and reserve at least 5% of the total units of a housing development for very low income households as defined in Section 50105 of the California Health and Safety Code. The project involves the development of a new five-story, 80-unit residential rental housing project. The project will reserve greater than 5% of the units at rents affordable to very-low income households. The project is located in the SFMU (Commercial/Residential Mixed Use) zone that permits a maximum density of 100 units per acre, when the SFMU zone does not abut a single-family or multi-family residential zone. A total of 64 units (63.4 rounded up) are permitted by right on the 27,603 SF (0.56 acre) project site. Under this proposal, 5 of the 64 base number of units will be affordable to very low income households, as noted in the Density Bonus Housing Plan. Because the developer is agreeing to rent and restrict occupancy of 7.8% (rounded up to 8%) of the of the total number units to very-low income households, Government Code Section 65915 and GMC Section 30.36.060 require the City to grant a density bonus of 20% plus 2.5% for each percentage of affordability over 5%, up to a 35% maximum bonus. Since the applicant is providing 8% of the units for very low income households, it is entitled to receive a 27.5% density bonus (20% plus 7.5% for the additional 3% over the base 5%

minimum required affordability). This mandatory density bonus allows the project to propose 80 units. The Density Bonus Housing Plan (attached) meets the requirements of Section 30.36. The Plan has been reviewed and found acceptable by the Community Development Department, Housing Division, as well as the City Attorney's Office. This project will also include a Density Bonus Housing Agreement, which ensures long-term affordability (55 years per state law) and is subject to approval by the Housing Authority and the City Attorney.

Therefore, this mandatory density bonus is **GRANTED**.

The applicant is seeking approval of one concession pursuant to Government Code § 65915 and GMC Section 30.36 (Density Bonus Incentives) to provide five very low income rental units, one low income unit and four moderate income units (total of 10 units), when four very low income units and six low or moderate income units (total of 10 units) are required under the City's inclusionary housing ordinance (GMC 30.35). This concession would allow the applicant to provide one additional very low income unit (thereby exceeding the requirement under GMC 30.35 for this income category), but one less low/moderate income unit than that required under GMC 30.35. The applicant is also requesting the parking provisions provided in Government Code Section 65915(p) and GMC Section 30.36.090.

After considering the evidence presented with respect to this application, the Director of Community Development was unable to make the necessary two required findings to deny the requested concession for approval of the Density Bonus Housing Plan. The requested concession is required in this case to allow the density bonus of 27.5%, while reducing costs to the developer. The additional density and savings that the developer realizes will be significant and will allow the affordable housing costs and rents to be reduced. The City's General Plan Housing Element encourages the production of affordable housing and provides for flexibility in creating such units. Moreover, the Director of Community Development was unable to make a finding that the concessions would 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, because no evidence exists to support this finding.

As a result, the Director of Community Development has **GRANTED** the following concession pursuant to Government Code Section 65915(d), because at least 5% of the base number of units are reserved for very low income households (Section 65915(d)(2)(A)), as outlined in the Density Bonus Housing Plan and subject to the attached conditions. Pursuant to GMC Section 30.36.080(A), the Director of Community Development shall grant the requested incentives or concessions, unless he or she makes written findings, based upon substantial evidence, of any one (1) or more of the following:

1. The incentive or concession does not result in identifiable and actual cost reductions to provide for affordable housing costs or to provide affordable rents.

The incentive/concession does result in identifiable and actual cost reductions and is required in order to provide for affordable housing costs or to provide affordable rents. The Density Bonus Housing Plan meets the requirements of Government Code Section 65915 because at least 5% of the total units of the housing development are for very low income households, as defined in Section 50105 of the Health and Safety Code.

Notwithstanding the above density bonus request, the project must provide 9% of the units for low and moderate-income households and 6% for very low-income households, under the City's inclusionary housing ordinance (GMC Section 30.35.030); this ordinance applies to all housing

projects in the San Fernando Road Corridor Redevelopment Area. The 15% inclusionary housing requirement features the following required breakdown for the project:

9% Low or Moderate Units: 6 units (9.4% of 64 base units)
6% Very Low Units: 4 units (6.25% of 64 base units).

The applicant is seeking approval of one concession pursuant to Government Code § 65915 and GMC 30.36 (Density Bonus Incentives) in order to provide 5 very low units (instead of the 4 very low units required by GMC 30.35.030) and 5 low/moderate units (instead of the 6 required by Code). The project will contain the total number of required units (total of 10 units), just in different ratios with one more very low income unit than that required and one less low/moderate income unit than that required.

The requested concession modifying the inclusionary housing unit breakdown allows for the project to exceed the minimum 5% very low income density bonus threshold in exchange for additional density bonus: providing 4 very low income units (the minimum 5%) allows for a 20% density bonus (which entitles the applicant to construct a total of 77 units), while providing 5 very low income units entitles the applicant to a mandatory density bonus of 27.5% (which entitles the applicant to construct 82 units but the applicant is only proposing 80 units/a 25% density bonus). The requested concession is required in this case to allow for additional density to reduce the cost to the applicant of providing affordable units. The savings that the applicant realizes will be significant and will allow the affordable housing costs and rents to be reduced. Without the additional density, the applicant would not be able to provide for the affordable housing units. Also, since the applicant must provide 5 very low income units to receive the benefit of the required density bonus to make the project economically feasible, without this concession, it would also be subject to the inclusionary housing ordinance's requirement to provide 6 low/moderate units, which would bring the total number of affordable units to 11. This would exceed the applicant's total affordable unit requirements under the inclusionary housing ordinance (exceed the 15% inclusionary housing requirement), and would make the project economically infeasible.

- 2. The incentive or concession would 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 low- and moderate-income households. As used herein, “specific adverse impact upon public health or safety” means a significant, quantifiable, direct, and unavoidable impact, based on conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or the land use designation in the General Plan shall not constitute a specific, adverse impact upon public health or safety.**

The applicant is seeking approval of one concession pursuant to Government Code § 65915 and GMC Section 30.36 (Density Bonus Incentives) in order to provide 5 very low units (instead of the 4 very low units required by GMC 30.35.030) and 5 low/moderate units (instead of the 6 required by GMC 30.35.030). No specific adverse impact upon public health or safety or on the physical environment or on any real property that is listed in the California Register of Historical Resources would occur by granting the requested incentives or concessions, since the overall number of affordable units will be provide (a total of 10 units) and the project will exceed the minimum 5% of very low income units (7.8% provided, with a total of 5 units versus the 4 required). The project complies with all other Zoning Code development standards in the SFMU zone. The requested concession (modification of the inclusionary housing breakdown) does not include waivers of any Building and Safety, Fire Department, Engineering or other requirements pertaining to health or safety.

3. **The incentive or concession will be contrary to state or federal law. The granting of an incentive or concession shall not require or be interpreted, in and of itself, to require a general plan amendment, zoning change, study, or other discretionary approval. For purposes of this subdivision, “study” does not include reasonable documentation to establish eligibility for the concession or incentive or to demonstrate that the incentive or concession meets the definition.**

The incentive will not be contrary to state or federal law and does not require any other discretionary entitlement.

The applicant is requesting to use the parking concession under GMC 30.36.090. Pursuant to Government Code Section 65915(p), upon request of the Developer, the City cannot require a vehicle parking ratio greater than one (1) space per unit for studios and one-bedroom units, and two (2) spaces per unit for two- and three-bedroom units, inclusive of guest and handicap parking for a density bonus project. The Glendale Municipal Code normally requires two (2) spaces per unit for studios, one-bedroom, and two bedroom units, and 0.25 spaces per unit for guest parking, when a development has four or more units. The Project will provide a total of 139 parking spaces: 127 parking spaces for the residents (33 studio and 1-bedroom units, 38 2-bedroom units, and 9 3-bedroom units) and 12 parking spaces for guests. The required parking for the residential units is above what is required by the provisions of SB1818 (the Government Code) and Glendale Municipal Code Section 30.36.090.

CONDITIONS OF APPROVAL

APPROVAL of this State Density Bonus Law shall be subject to the following conditions:

1. That the development shall be in substantial accord with the plans submitted with the application except for any modifications as may be required to meet specific Code standards or other conditions stipulated herein as approved by the Director of Community Development.
2. That all necessary permits shall be obtained from the Permit Services Center and all construction shall be in compliance with the Glendale Building Code and all other applicable regulations.
3. That the premises be maintained in a clean and orderly condition, free of weeds, trash, and graffiti.
4. That any expansion or modification of the structure or use shall require a new Density Bonus application. Expansion shall constitute adding of new floor area, reduction of parking and open spaces, or any physical changes as determined by the Director of Community Development.
5. That the applicant shall work with the Housing Division to execute a Density Bonus Housing Agreement/Inclusionary Housing Agreement approved by the Community Development Director and/or the City Attorney restricting the rental or sale of the required percentage of dwelling units in the housing development to persons or families of very low, low or moderate income households. The applicant shall record such agreement prior to issuance of any and all required building permits.
6. That the affordability term shall not start until the date of recordation of the Housing Notice of Completion. The applicant shall notify the Housing Division at least six months prior to the anticipated date of the Certificate of Occupancy so that affordable units may be marketed in a timely manner.

APPEAL PERIOD, TIME LIMITS, LAPSE OF PRIVILEGES, TIME EXTENSIONS

The applicant's attention is called to the fact that this grant is not a permit or license and that any permits and licenses required by law must be obtained from the proper City and public agency.

Under the provisions of the Glendale Municipal Code, Title 30, Chapter 30.62, any person affected by the above decision has the right to appeal said decision to the Planning Commission if it is believed that the decision is in error or that procedural errors have occurred, or if there is substantial new evidence which could not have been reasonably presented.

It is strongly advised that appeals be filed early during the appeal period and in person so that imperfections/incompleteness may be corrected before the appeal period expires. Any appeal must be filed on the prescribed forms within **fifteen (15) days** following the actual date of the decision. Information regarding appeals and appeal forms will be provided by the Building and Safety Division upon request and must be filed with the prescribed fee **prior to expiration of the 15-day period, on or before July 2, 2018**, in the Building & Safety Division, 633 East Broadway, Room 101.

APPEAL FORMS available on-line

<http://www.ci.glendale.ca.us/planning/SubmittingAProject.asp>

To save you time and a trip - please note that some of our FORMS are available on line and may be downloaded. AGENDAS and other NOTICES are also posted on our website.

TRANSFERABILITY

This authorization runs with the land or the use for which it was intended for and approved. In the event the property is to be sold, leased, rented or occupied by any person or corporation other than yourself, it is incumbent that you advise them regarding the conditions and/or limitations of this grant.

VIOLATIONS OF THESE CONDITIONS

Violations of conditions required by this determination may constitute a misdemeanor or infraction under section 1.20.010 of the Glendale Municipal Code (GMC) and/or a violation of other local, State or Federal laws or regulations. Unless a specific penalty is provided, any person convicted of a misdemeanor shall be punished by a fine not to exceed one thousand dollars (\$1,000.00), or imprisonment for a term not to exceed six (6) months, or by both fine and imprisonment. Infractions are punishable by a fine not exceeding the sum of five hundred dollars (\$500.00) for each violation.

Violations of conditions required by this determination may be grounds for a revocation.

REVOCAION

Section 30.64.020 – Revocation – The Community Development Department shall have continuing jurisdiction over variances, conditional use permits and administrative exceptions (individual cases heard and decided upon by the Hearing Officer). To consider the revocation, the Hearing Officer shall hold a public hearing after giving notice by the same procedure as for consideration of a variance at least 10 days notice by mail to the applicant or permittee.

NOTICE – subsequent contacts with this office

The Applicant is further advised that all subsequent contacts with this office regarding this determination must be with the Case Planner first and then, the Hearing Officer who acted on this case. This would include clarification, verification of condition compliance and plans or building permit applications, etc., and shall be accomplished **By Appointment Only**, in order to assure that you receive service with a minimum amount of waiting. You should advise any consultant representing you of this requirement as well.

Should you have any questions regarding this issue, please do not hesitate to contact the case planner, Vilija Zemaitaitis, AICP, Principal Planner, during normal business hours at 818-937-8154 (email address: vzemaitaitis@glendaleca.gov).

Sincerely,



Philip Lanzafame
Director of Community Development Department

PL:VZ:vz



cc: City Attorney's Office (Yvette Neukian)
Community Development - Housing Division (Peter Zovak/Mike Fortney).

Density Bonus Housing Plan

1838 South Brand Boulevard
Glendale, CA 91204

Nor Brand, LLC (Balian Investments, LLC)
127 North Madison Avenue, Suite 200
Pasadena, CA 91101

City of Glendale
Community Development Department
Housing Division
141 North Glendale Avenue, Room 2020
Glendale, CA 91206

Number of Dwelling Units Proposed:

The proposal involves the development of a new five-story, 80-unit multi-family residential (rental housing) project. The project will provide a total of 10 affordable housing units (12.5 percent of total number of units) to very-low, low and moderate income households.

Maximum Number of Units Permitted per Zoning Code:

The project is located in the SFMU (Commercial/Residential Mixed Use) Zone that permits a maximum density of 35 dwelling units per acre when abutting the R1, R1R or ROS zones; 87 dwelling units per acre when abutting the R-3050, R-2250, R-1650 and R-1250 zones; and 100 dwelling units per acre when not abutting the R1, R1R, ROS, R-3050, R-2250, R-1650 or R-1250 zone. The subject site does not abut any single or multi-family residential zones, so the maximum permitted density is 100 dwelling units per acre. Based on the 27,603 square foot lot area, a maximum of 64 residential units (63.37, rounded up to 64, per Code) are permitted by right.

Number of Affordable Units meeting Density Bonus Requirement:

A total of 10 units will be made available as rental units for very low, low, and moderate income households:

- Very Low Income Units:
 - Two 2-bedroom units, two 1-bedroom units, and one studio unit:
 - Total of five very low income units.
- Low Income Units:
 - One 1-bedroom unit:
 - Total of one low income unit.
- Moderate Income Units:
 - One 3-bedroom unit, two 2-bedroom units, and one 1-bedroom unit:
 - Total of four moderate income units.

Amount of Density Bonus Requested:

The applicant is requesting a 25% density bonus by providing five very low income units (7.8% of base number of units (64), rounded up to 8%). This request complies with GMC 30.36.060 (Density Bonus), which allows for a density bonus of 20% plus 7.5% for the additional 3% over the base 5% minimum required affordability, up to a 35% maximum bonus, in exchange for the provision of very low income units (the applicant is entitled to 27.5% but is only seeking 25%). Code also allows for one incentive/concession for the project, based on the level of affordability (GMC 30.36.070).

Number and Description of Incentives and Concessions Requested:

1. Affordable Housing Requirement: Notwithstanding the above density bonus request, the project must provide 9% of the units for low and moderate-income households and 6% for very low-income households, given the City's Affordable Housing Ordinance (GMC 30.35.030) for a project site in the San Fernando Road Corridor Redevelopment Area. The 15% inclusionary housing requirement features the following required breakdown for the project:

9% Low or Moderate Units:	Six units (9.4% of 64 units)
6% Very Low Units:	Four units (6.25% of 64 units).

The applicant is requesting an incentive/concession for the inclusionary housing breakdown in order to provide five very low units that are required for the density bonus application (one more than the four very low units required by GMC 30.35.030) and five low/moderate units (instead of the six required by Code). The project will feature the overall number of required units (total of 10 units).

Amount of parking concessions requested:

The applicant is requesting to use the parking concession under GMC 30.36.090.

Child Care Space:

Not Applicable