



**CITY OF SOUTH PASADENA
PLANNING COMMISSION**

**AGENDA
SPECIAL MEETING
MONDAY, APRIL 18, 2022 at 6:30 P.M.**

**CITY COUNCIL CHAMBERS
1424 MISSION STREET, SOUTH PASADENA, CA 91030**

South Pasadena Planning Commission Statement of Civility

As your appointed governing board we will treat each other, members of the public, and city employees with patience, civility and courtesy as a model of the same behavior we wish to reflect in South Pasadena for the conduct of all city business and community participation. The decisions made tonight will be for the benefit of the South Pasadena community and not for personal gain.

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

The South Pasadena Planning Commission Meeting will be conducted in-person from the Council Chambers, Amedee O. "Dick" Richards, Jr., located at 1424 Mission Street, South Pasadena.

Please be advised that pursuant to government code, and to ensure the health and safety of the public, staff, and Planning Commission, as the Council Chambers will be open to the public for the meeting and members of the public may attend the in-person meeting, all are kindly reminded to follow Los Angeles County Public Health and CDC regulations and guidelines that are in place and may be posted. The in-person hybrid meeting will be conducted live in the City Council Chambers.

The Meeting will be available:

- In Person Hybrid – City Council Chambers, 1424 Mission Street, South Pasadena
- Via Zoom: <https://us02web.zoom.us/j/89532914917> **Meeting ID: 895 3291 4917**

To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting via Zoom in the following methods below.

- Go to the Zoom website, <https://Zoom.us/join> and enter the Zoom meeting information;
or
- Click on the following unique Zoom meeting link:
<https://us02web.zoom.us/j/89532914917>

CALL TO ORDER: Chair John Lesak

ROLL CALL: Chair John Lesak
Vice-Chair Lisa Padilla
Commissioner Amitabh Barthakur
Commissioner Janet Braun
Commissioner Laura Dahl

COUNCIL LIAISON: Councilmember Diana Mahmud

STAFF PRESENT: City Attorney Office
Angelica Frausto-Lupo, Community Development Director
Matt Chang, Planning Manager

APPROVAL OF AGENDA
Majority vote of the Commission to proceed with Commission business.

DISCLOSURE OF SITE VISITS AND EX-PARTE CONTACTS
Disclosure by Commissioners of site visits and ex-parte contact for items on the agenda.

PUBLIC COMMENT GUIDELINES (Public Comments are limited to 3 minutes)
The Planning Commission welcomes public input. If you would like to comment on an agenda item, members of the public may participate by one of the following options:
Option 1:
Participate in-person at the City Council Chambers, 1424 Mission Street, South Pasadena.
Option 2:
Participants will be able to “raise their hand” using the Zoom icon during the meeting, and they will have their microphone un-muted during comment portions of the agenda to speak for up to 3 minutes per item.
Option 3:
Email public comment(s) to PlanningComments@southpasadenaca.gov. Public Comments received in writing will not be read aloud at the meeting, but will be part of the meeting record. Written public comments will be uploaded online for public viewing under Additional Documents. There is no word limit on emailed Public Comment(s). Please make sure to indicate:
1) Name (optional), and
2) Agenda item you are submitting public comment on, and
3) Submit by no later than 12:00 p.m., on the day of the Planning Commission meeting.
NOTE: Pursuant to State law, the Planning Commission may not discuss or take action on issues not on the meeting agenda, except that members of the Planning Commission or staff may briefly respond to statements made or questions posed by persons exercising public

testimony rights (Government Code Section 54954.2). Staff may be asked to follow up on such items.

PUBLIC COMMENT

1. Public Comment – General (Non-Agenda Items)

BUSINESS ITEM

2. Planning Commission Reorganization

Recommendation

Select a Chair, Vice-Chair, and Secretary.

DISCUSSION

3. Proposed Inclusionary Housing In-lieu Fee

Recommendation

Provide comments on the analysis prepared by the City’s consultant for establishing an affordable housing in-lieu fee.

PUBLIC HEARING

4. 815 Fremont Avenue (APN: 5315-009-051), Project No. 2392 - CUP/DRX/DBR/AHR/TRP – To allow the construction of a four-story mixed-use project (Arbor Square) with approximately 3,769 square feet of commercial space and 50 residential apartment units, including 5 very low-income units.

Recommendation:

Approve the project (Conditional Use Permit, Design Review, Density Bonus Review, Affordable Housing Review, and Tree Removal Permit), subject to the recommended conditions of approval.

ADMINISTRATION

5. Comments from City Council Liaison

6. Comments from Planning Commissioners

7. Comments from Staff

ADJOURNMENT

8. Adjourn to the Regular Planning Commission meeting scheduled for May 10, 2022.

PUBLIC ACCESS TO AGENDA DOCUMENTS AND BROADCASTING OF MEETINGS

Planning Commission meeting agenda packets are available online at the City website: <https://www.southpasadenaca.gov/government/boards-commissions/test-planning-commission-agendas-minutes-copy>

Agenda related documents provided to the Planning Commission are available for public review on the City’s website. Additional documents, when presented to Planning Commission, will also be uploaded and available on the City’s website.

AGENDA NOTIFICATION SUBSCRIPTION

Individuals can be placed on an email notification list to receive forthcoming agendas by emailing CityClerk@southpasadenaca.gov or calling the City Clerk’s Division at (626) 403-7230.

ACCOMMODATIONS



The City of South Pasadena wishes to make all of its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of City Hall at 1414 Mission Street, South Pasadena, CA 91030, and on the City’s website as required by law.

4/14/2022

Date

Matt Chang

Matt Chang, Planning Manager



Planning Commission Agenda Report

ITEM NO. 2

DATE: April 18, 2022
TO: Planning Commission
FROM: Angelica Frausto-Lupo, Community Development Director
PREPARED BY: Matt Chang, Planning Manager
SUBJECT: Planning Commission Reorganization

Recommendation

Appoint a Chair, Vice-Chair, and Secretary to serve the Planning Commission meetings in 2022.

Discussion

The Planning Commission appoints a commissioner to serve as Chair, Vice-Chair, and Secretary annually. Per Chapter 2 Article 4 Boards and Commission – General Provisions Section 2.31 Organization of the South Pasadena Municipal Code, the Chair and Vice-Chair may serve no more than two consecutive one-year terms. Under Section 2.31, Chair Leask and Vice-Chair Padilla may continue to serve as Chair and Vice-Chair for 2022.

These appointments are effective immediately after the motions are approved and through the 2022 calendar year.



Planning Commission Agenda Report

ITEM NO. 3

DATE: April 18, 2022

FROM: Angelica Frausto-Lupo, Director of Community Development
Elizabeth Bar-El, AICP, Interim Deputy Director - Housing

SUBJECT: Discussion: Proposed Inclusionary Housing In-lieu Fee

Recommendation

It is recommended that the Commission review and provide comments on the analysis prepared by the City's consultant Economic & Planning Systems (EPS) for establishing an affordable housing in-lieu fee and the Council's direction from its March 16th meeting. The Commission's comments will be incorporated into the staff report for Council's public hearing to adopt a fee resolution.

Background

In 2021, the South Pasadena City Council adopted an inclusionary housing ordinance (SPMC 36.375) that now applies to all multi-family projects with three or more residential units. The ordinance requires that 20% of units, calculated from the allowable base density, be provided as deed-restricted, affordable units for qualified Very Low, Low or Moderate-income residents. The ordinance was developed with significant Planning Commission input, including a sub-committee that worked intensively with staff. The ordinance requires establishment of an in-lieu fee, which applicants may opt to pay in certain situations rather than provide all or part of the required inclusionary housing units on-site.

On March 16, 2022, staff presented the Council with alternative approaches to determining the in-lieu fee. The presentation included an explanation of how the City's consultants, Economic & Planning Systems (EPS), developed scenarios and analyzed the "Financing Gap" to calculate an appropriate fee reflective of the cost of providing on-site affordable units. The March 16 Council Report (Attachment 1), is provided for reference on the fee calculation and alternatives.

The Inclusionary Housing Ordinance clearly favors on-site unit construction over payment of a fee to build units elsewhere in the City. Only certain situations qualify developers for payment of a fee in-lieu of construction. Accordingly, the in-lieu fee required of a rental project will always be calculated on a fractional unit. Ownership projects that choose not to provide on-site affordable housing units may pay the fee for the entire obligation. In both of these cases, the Code requires the fee to be established so that the amount collected contributes in a meaningful way toward an affordable housing fund so that the City can allocate funding to non-profit housing developers building affordable housing in the City.

In its review of the options presented by EPS, and consistent with the Code's direction, the Council stated their preferred fee option as:

- A single fee for ownership projects;
- Rental project fees differentiated by size (Up to 10 units and 11+ units)
- Rental project fees for 11+ units differentiated by whether the fraction represents a unit that would have been Low Income or would have been Very Low Income

Based on this direction, staff and consultants have developed a recommendation, discussed below. The in-lieu fee must be adopted by Council at a legally-noticed public hearing. Although fee resolutions do not require Planning Commission's recommendation, this discussion is being held in order to share Commissioners' perspectives and public comments for the Council to consider in making their decision.

Inclusionary Housing Ordinance Requirements

As shown below, SPMC 36.375.050 (B) and C) specify the affordability levels of units to be provided according to project tenure (rental/ownership) and, for rental units, project size. Projects of 3-5 units would require one affordable unit provided on-site at any affordability level chosen by the applicant:

B. Inclusionary rental units.

1. Projects with 10 or fewer units shall have the option to designate an affordable unit as extremely low, very low, lower or moderate income; provided, that if the project includes two affordable units, either:

a. Both units shall be lower income; or

b. At least one shall be a very low income unit and the other unit may be very low, lower, or moderate.

2. Projects with 11 or more units shall provide 50 percent of required affordable units as extremely low or very low and 50 percent as lower income units. In case of an uneven number, one more unit shall be provided as very low.

C. Inclusionary ownership (for sale) units shall be provided at the moderate income level.

Units produced as deed-restricted affordable units are available only to eligible renters based on qualifying income levels. The State and County set rent levels to ensure that tenants do not overpay for housing. For affordable ownership units, the sales price is based on income and takes all housing costs into consideration. Tables produced by the County specify allowable costs for a range of household sizes and income levels. Table 1 below provides an example of the maximum allowable rents for a 3-person household at Very Low, Low and Moderate income levels and the purchase price for a moderate income unit if purchased by a household at 120% of the area median income (AMI).

Table 1: Maximum Housing Costs for 3-Person Household

Income Category	% of AMI	Adjusted Annual 3-Person HH Income [1]	Total Max Annual Spending on Housing [2]	Annual Spending on Other Housing Costs [3]	Maximum Aff. Monthly Rent or Mortgage Payment [4]	Maximum Affordable Sale Price [4]
Very Low (Rental)	50%	\$53,200	\$15,960	\$2,748	\$1,101	N/A
Low (Rental)	80%	\$85,200	\$25,560	\$2,748	\$1,901	N/A
Moderate (Rental)	120%	\$86,400	\$25,920	\$2,748	\$1,931	N/A
Moderate (For Sale)	120%	\$86,400	\$25,920	\$8,400	\$1,460	\$362,000

[1] HUD adjusts the maximum incomes for very-low and low-income households in Los Angeles County up by 148%. This type of adjustment is made in counties with unusually high or low household incomes, uneven housing cost-to-income ratios, or other considerations.
 [2] Assumes a housing cost to income ratio of 30 percent.
 [3] For rental units, other housing costs include utility expenditures consistent with the Los Angeles County CDA limits for a 2-bedroom unit (assumes use of electricity for heating and cooking). Utility costs effective July 2021. For for-sale units, other housing costs include estimated property taxes, homeowners insurance, and homeowner association (HOA) fees.
 [4] Maximum income available to pay for rent or mortgage and interest after allowance for other housing costs.
 [5] Affordable sale price is based on a 30-year mortgage with 10% downpayment and 3.5% annual interest rate.

Sources: Los Angeles County Community Development Authority; California Housing and Community Development; Economic & Planning Systems, Inc.

The inclusionary housing ordinance intentionally encourages developers to provide affordable units on-site. Projects that provide affordable units on-site are eligible for density bonuses as required by the state, as well as other project bonuses that are granted for achieving the community’s priority for consistent design and high-quality architecture to contribute to the City’s high quality physical environment, as defined by objective criteria in the ordinance.

Using a density bonus, a 3-unit project could provide the on-site affordable unit as a fourth unit, and a 4-unit project could provide a total of five units. Such projects would be entitled to concessions that might make it more attractive for a developer to build the unit, depending on the characteristics of the individual project.

Alternative Compliance – In-lieu Fee

The ordinance offers alternative means of compliance with the inclusionary housing requirement, and certain projects may choose the option of paying an in-lieu fee:

SPMC 36.375.050.D (Fractional Units): The applicant may choose to “*Pay the fractional amount above the whole number as an in-lieu fee equivalent to the fraction multiplied by the in-lieu fee as established by City Council resolution. All whole number units shall be provided on site or alternatively as allowed in SPMC 36.375.060 (Alternatives to On-Site Provision).*”

SPMC 36.375.060.A: “*For rental projects of three or four units or for any ownership project: payment of an in-lieu fee as established by City Council resolution and updated from*

time to time as deemed appropriate, subject to the provisions of SPMC 36.375.110 (In-Lieu Fee Payment and Administration).”

The ordinance also includes language to guide how the fee is calculated:

SPMC 36.375.110.B (In-Lieu Fee Payment and Administration) specifies the applicability of the in-lieu fee and states: *“The in-lieu fee shall be established in an amount that is equivalent to the cost of providing a comparable unit for each unit that would have been provided in the project based on the requirements of this section.”*

These ordinance provisions directed the consultants’ work in developing assumptions and factors to calculate the fee.

Establishment of this in-lieu fee is not subject to the State Mitigation Fee Act, as it is not proposed as an exaction to mitigate an impact as a condition of project approval; rather, it is offered as an option that an applicant may choose in order to waive a Code requirement.

The Council authorized funding for the in-lieu fee study following adoption of the inclusionary housing ordinance and approved a contract with Economic and Planning Systems (EPS) to perform the research and provide recommendations. The project kick-off meeting was held in November 2021. EPS produced a memo that outlines the methodology and assumptions that have resulted in their financing gap analysis, which is included as Attachment 2 to this report.

Discussion/Analysis

The Council has directed that the in-lieu fee be formulated to most accurately reflect the costs that developers would avoid by not building affordable units on-site. As explained in detail in Attachment 2, the financing gap is the difference between the costs of a unit’s market value and its value when restricted to a specific affordability level and its associated maximum rent or sales price. The table below, presented at the Council meeting, shows the financing gap for rental units that are Very Low, Low and Moderate, and for ownership (for-sale) units at two different levels of Moderate Income (110% of AMI and 120% of AMI).

Because of the specific Code limitations on applicants’ use of the in-lieu fee, especially for rental projects, the most equitable formula establishes a fee that is multiplied by the square footage of the average unit size to be provided in the project. Because EPS developed models using an average 1,000 square foot unit for rentals and an average 1,200 square foot unit for ownership projects, the financing gap per square foot (Table 2) has been calculated by taking the total financing gap and dividing it by those numbers.

Table 2: Affordable Housing Financing Gap

Item	Very Low Income Rental (50% AMI)	Low Income Rental (80% AMI)	Moderate* Income Rental (120% AMI)	Moderate Income For Sale (110% AMI)	Moderate Income For Sale (120% AMI)
Development Cost per Unit (incl. land, construction, soft costs, and profit/return)	\$670,000	\$670,000	\$670,000	\$588,000	\$588,000
Maximum Affordable Monthly Rent or Mortgage Payment (net of other housing costs)	\$1,101/ month	\$1,901/ month	\$1,931/ month	\$1,280/ month	\$1,460/ month
Value per Unit (NOI/Cap Rate or Sale Price)	\$181,000	\$421,000	\$355,000	\$317,000	\$362,000
Financing Gap per Unit	(\$489,000)	(\$249,000)	(\$315,000)	(\$271,000)	(\$226,000)
Financing Gap per Affordable Unit SqFt (rental: /1000sf; For Sale /1200sf)	\$489	\$249	\$315	\$226	\$188

Recommended Rental Project In-Lieu Fee

Several in-lieu fee options for rental projects were presented for Council’s consideration, based on the various financing gaps or a blend of two or more of them. As referenced above, the Council expressed a consensus for the option that differentiates between smaller (up to 10-unit) projects and larger (11+-unit) projects.

For the smaller projects, the applicant has a choice about the affordability level of the unit if it is included on-site. Since it is not possible to know exactly which unit is “not being built,” staff will recommend basing the fee on the middle ground, Low Income, unit.

For the larger projects, in order to accurately reflect the financing gap, Council preferred the “Next Unit” determination. Since the requirement is 50% Very Low income and 50% Low income, with an extra Very Low income unit in the case of an uneven number, the fractional unit that might be waived with payment of an in-lieu fee may be a Very Low income unit if the project includes an even number of units, or Low income unit, if an odd number of units are provided in the project. The required fee for a particular project would be based on the specific fraction of a unit that is not being provided.

Accordingly, staff’s recommendation to Council will be as follows:

- 3-10 unit projects: \$249/sf
- 11+ unit projects:
 - Even number of units provided on-site: \$489/sf
 - Odd number of units provided on-site: \$249/sf

Recommended Ownership Project In-Lieu Fee

For ownership projects, which may pay a fee for any portion of the required units in-lieu of providing the unit(s) on-site, staff presented two options: basing the fee on Moderate income households at 110% AMI or 120% AMI. Council did not specify a preferred option. Staff is

recommending the 110% level (\$226/sf) in order to be consistent with guidelines set by the State Department of Housing and Community Development (HCD) and Density Bonus law criteria that set affordable moderate income for-sale housing at 110% AMI. In this way, the City will collect funds to produce affordable housing that conforms to the State's standard definition. Furthermore, the higher fee will act as an incentive to build the units on-site, as is preferred by the City's ordinance.

Accordingly, staff's recommendation to Council for the in-lieu fee for ownership projects will be \$226/sf.

Some examples of fee calculations for projects of various sizes, both rental and ownership, are included in Attachment 3.

Comparison to Other Jurisdictions

Cities can take a variety of approaches to calculating inclusionary housing in-lieu fees. As explained on the website of the Grounded Solutions Network (www.inclusionaryhousing.org), a national organization that connects local experts with networks, knowledge and support to develop long-term affordable housing solutions:

“Each jurisdiction must determine how to set their fee level. There are several common approaches, but no single “right” formula. A key factor that shapes the decision about which formula to use is whether a jurisdiction wants to encourage on-site performance or collect the revenue to leverage other sources of funding to build affordable units off site.

All other things being equal, the higher the fee, the higher the chance that developers will choose to build units on site. A number of communities have made the mistake of setting in-lieu fees far below the cost of on-site performance, and this practice has resulted in poor overall performance of the affordable housing program.”

As stated above, South Pasadena's ordinance indicates the City's preference for on-site affordable housing, and the fee is recommended to be relatively high for this reason. For a point of comparison, staff reviewed the fees that have been established in several other Los Angeles County jurisdictions with inclusionary housing requirements. Several of these have increased their in-lieu fees over the past year. Pasadena, Alhambra, Glendale and Santa Monica have adopted fees based on the project's total market-rate square footage. West Hollywood, which only allows in-lieu fees as an alternative for projects of 10 units or less that require one unit, has a graduated flat fee based on the project's number of units. Pasadena, Alhambra and Santa Monica have a higher fee for ownership projects than for rental projects. Glendale and West Hollywood have one fee applicable to both rental and ownership projects.

Table 3 below compares the fees and shows a total fee based on a sample project with 20 units. The cities included in this table charge the in-lieu fee by multiplying it by the total square footage

in the market-rate project (not the average unit size). To compare with the figures provided above, the total fees for 1,000 square-foot rental units and 1,200 square-foot ownership units are calculated. Actual fees would differ from project to project based on unit size and how each city defines “gross floor area” for its calculations.

For West Hollywood, the 3- and 4-unit project fees are provided to compare with equivalent South Pasadena rental and ownership projects opting to pay the in-lieu fee. West Hollywood’s full (highest) fee, for a 10-unit project, is \$439,192, while smaller projects are treated as fractional units. Larger projects do not have an option to pay the in-lieu fee.

The proposed fees for South Pasadena are shown as the total for a comparable unit, although rental unit fees will always be lower as the fee will be based on a fraction of a whole unit (see Attachment 3). The amount per square foot is left blank, given the difference in calculation methods as described above, in order to present a more equivalent comparison.

Table 3: Comparison of Other Cities’ In-Lieu Fees

	Rental Projects		For-Sale/Ownership Projects	
	Per sf (see Table Notes)	Fee in lieu of one unit	Per sf (see Table Notes)	Fee in lieu of one unit (for-sale)
Alhambra	\$14.30	\$95,333.33	\$30.00	\$240,000
Glendale	\$49.50	\$330,000	\$49.50	\$396,000
Pasadena	\$50.92	\$254,600	\$52.43	\$314,580
Santa Monica	\$35.50	\$236,666.67	\$41.47	\$331,760
West Hollywood	N/A		N/A	
(3-unit project)		\$131,758		\$131,758
(4-unit project)		\$175,677		\$175,677
(10-unit project)		\$439,192		\$439,192
<i>South Pasadena, AS PROPOSED</i>	-	<i>\$249,000 OR \$489,000</i>	-	<i>\$271,000</i>

TABLE 3 NOTES:

- Total Fee in-lieu for one unit in hypothetical project of 20 units: The comparison cities calculate the in-lieu fee as one amount for the project, but for an equivalent comparison, the total fee is divided by the number of units that would have been required.
- Other cities’ fees are per square foot based on gross residential floor area
- South Pasadena’s fee is per square foot based on average unit size.
- Comparison based on highest fee for jurisdictions with complex, variable fee structures

Next Steps

May 18, 2022: Council hearing to adopt the in-lieu fee resolution

Attachments:

1. [Council Staff Report, March 16, 2022, Item 17](#) (starts on page 156 of document)
2. Memo: Background and methodology for financing gap analysis to establish the South Pasadena In-lieu Fee (Economic and Planning Systems)
3. Examples of Rental and Ownership Project In-lieu Fee calculations

Attachment 1

Council Staff Report, March 16, 2022, Item 17, Page 156 ([Link](#))

Attachment 2

Memo: Background and Methodology for Financing Gap Analysis to Establish South Pasadena In-lieu Fee (Economic and Planning Systems)

MEMORANDUM

To: Angelica Frausto-Lupo and Liz Bar-El, City of South Pasadena

From: Julie Cooper, Thomas Gonzales, and Darin Smith, Economic & Planning Systems

Subject: South Pasadena Inclusionary Housing In-Lieu Fee Study Financing Gap Analysis; EPS #214034

Date: February 23, 2022

Introduction

The City of South Pasadena (City) adopted an inclusionary housing ordinance in May 2021. The ordinance requires that a minimum of 20 percent of the total number of dwelling units in a residential or mixed-use development consisting of more than two units be provided at below-market-rate prices affordable to Very-Low, Low, and/or Moderate-income households, based on income standards established by the State of California's Department of Housing and Community Development (HCD). The ordinance allows, under certain circumstances, for development projects to pay an in-lieu fee as an alternative to providing required units. These circumstances include any for-sale project, which can pay an in-lieu fee instead of building on-site affordable units; as well as some rental projects, which have the option to pay an in-lieu fee for any fractional affordable units required as an alternative to rounding up to the next whole number of units.

Economic & Planning Systems, Inc. (EPS) was hired by the City to calculate an appropriate inclusionary housing in-lieu fee rate to charge in such instances. This memorandum describes EPS's estimates of the subsidy necessary to support the construction of the affordable housing units that are not being built onsite. This subsidy, or "financing gap" associated with the development of affordable units, will form the basis of the in-lieu fee calculation for the City's inclusionary housing program.

The Economics of Land Use



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Financing Gap Analysis

Product Prototypes

The analysis assumes that the collected in-lieu fees would be used to subsidize the production of lower-income units similar to the type of residential development currently observed in the City. The prototype residential products used in the analysis were informed by research completed for the City’s Housing Element Update on average residential sizes and construction costs, as well as interviews with local developers, and were approved by City staff to utilize in this analysis.

The assumptions for the prototype products are summarized in **Table 1**. As shown, the rental product prototype is a two-bedroom, 1,000 net square-foot apartment unit, developed at a density of 55 units per acre. The analysis also assumes the development of structured parking to serve the units, at a ratio of one space per two-bedroom unit. The for-sale product prototype is a two-bedroom, 1,200 square foot townhome unit with attached parking, developed at a density of 20 units per acre.

Table 1 Affordable & Market Rate Unit Prototype Characteristics

Product Type	Construction Type	Density	Unit Size	Unit Sq. Ft.	Parking Type
For Sale	Townhome	20/du acre	2 Bedroom	1,200 sq. ft.	Attached garage
Rental	Wood Frame Apartment Building	55/du acre	2 Bedroom	1,000 sq. ft.	1 space per unit (structured)

Maximum Affordable Housing Rents

Income levels for affordable housing units are set for the County of Los Angeles by the California Department of Housing and Community Development (HCD) on an annual basis. **Table 2** shows the income limits for 2021 for a three-person household, as this analysis assumes the 2-bedroom unit prototypes are occupied by a 3-person household.¹

The Area Median Income (AMI) for a family of three in Los Angeles County is \$72,000 in 2021. For the Low and Very-Low income groups, the maximum incomes do not correspond mathematically to the AMI due to HCD adjustment factors within Los Angeles County. For example, the “Low” income group would nominally represent households earning up to 80 percent of median income, but due to the HCD adjustment factor, the resulting “Low” income maximum is nearly 20 percent *above* the median income. HCD makes these adjustments to “Low” and “Very Low” income standards in counties with

¹ Based on California Health and Safety Code Section 50052.5.

relatively high housing costs and/or relatively high or low household incomes. HCD does not apply these adjustment factors to the Moderate-income group.

Table 2 2021 Household Income Limits for Los Angeles County

Income Group and Definition		2021 Maximum Income 3-Person Household
Very Low	>30% to ≤50% AMI + HUD adjustment [1]	\$53,200
Low	>50% to ≤80% AMI + HUD adjustment [1]	\$85,150
Median (Base)	>80% to ≤100% AMI	\$72,000
Moderate	>100% AMI to ≤120% AMI	\$86,400
HUD Adjustment Factor for Very Low & Low Income Groups		147.8%

[1] HUD applies adjustments to the amounts based on unusually high or low family income, uneven housing-cost-to income relationship, or other reasons.

Source: Los Angeles County 2021 Income Limits, California Housing and Community Development (HCD).

Consistent with City ordinance, the analysis assumes that households spend no more than 30 percent of their gross annual income on total housing costs. For rental units, this includes rent and utilities.² Spending on utilities is subtracted from spending on total housing costs to determine the maximum rent that a household can pay in a year. For for-sale units, housing costs include mortgage principal and interest, property taxes, and homeowners insurance payments (collectively, “PITI”), plus annual Homeowners Association (HOA) fees. After subtracting taxes, insurance, and HOA fees from a household’s maximum affordable housing costs budget, the remaining budget was used to calculate a maximum affordable house purchase price, based on common mortgage term assumptions.³

For the purposes of the financing gap analysis, EPS used maximum income levels of 50 percent of AMI (“Very-Low income”), 80 percent of AMI (“Low-income”), and 120 percent of AMI (“Moderate income”), consistent with the City’s inclusionary ordinance definitions on the maximum incomes allowed for each income category. As summarized on **Table 3**, a three-person Very-Low income household earning 50 percent of AMI (adjusted) can pay up to \$1,101 per month for a two-bedroom rental unit; a Low-income household earning 80 percent of AMI (adjusted) can pay \$1,901 per month; and a Moderate-income household earning 120 percent of AMI can pay \$1,931 per month. These affordable rents are far below the market-rate rent for a newly constructed unit of the same size in South Pasadena, which EPS estimates at \$3,900 per month.

For for-sale units, a three-person Moderate-income household earning 120 percent of AMI can pay up to \$1,460 on monthly mortgage payments (principal and interest), which

² The utility allowance for a two-bedroom unit is based on a schedule published by the Los Angeles County Development Authority (LACDA) (https://www.lacda.org/docs/librariesprovider25/public-documents/utility-allowance/ua-2021.pdf?sfvrsn=47bb66bc_4)

³ Assumes a 30-year fixed mortgage with a 3.5 percent effective interest rate, plus a 10 percent down payment from the homebuyer.

translates into a maximum purchase price of \$362,000 for a two-bedroom townhome unit.⁴ EPS estimates that a newly constructed market-rate unit of the same size could achieve a sale price of \$912,000 in South Pasadena.

Table 3 Maximum Affordable Monthly Housing Costs for Three-Person Household in Los Angeles County

Income Category	% of AMI	Adjusted Annual 3-Person HH Income [1]	Total Max Annual Spending on Housing [2]	Annual Spending on Other Housing Costs [3]	Maximum Aff. Monthly Rent or Mortgage Payment [4]	Maximum Affordable Sale Price [4]
Very Low (Rental)	50%	\$53,200	\$15,960	\$2,748	\$1,101	N/A
Low (Rental)	80%	\$85,200	\$25,560	\$2,748	\$1,901	N/A
Moderate (Rental)	120%	\$86,400	\$25,920	\$2,748	\$1,931	N/A
Moderate (For Sale)	120%	\$86,400	\$25,920	\$8,400	\$1,460	\$362,000

[1] HUD adjusts the maximum incomes for very-low and low-income households in Los Angeles County up by 148%. This type of adjustment is made in counties with unusually high or low household incomes, uneven housing cost-to-income ratios, or other considerations.

[2] Assumes a housing cost to income ratio of 30 percent.

[3] For rental units, other housing costs include utility expenditures consistent with the Los Angeles County CDA limits for a 2-bedroom unit (assumes use of electricity for heating and cooking). Utility costs effective July 2021. For for-sale units, other housing costs include estimated property taxes, homeowners insurance, and homeowner association (HOA) fees.

[4] Maximum income available to pay for rent or mortgage and interest after allowance for other housing costs.

[5] Affordable sale price is based on a 30-year mortgage with 10% downpayment and 3.5% annual interest rate.

Sources: Los Angeles County Community Development Authority; California Housing and Community Development; Economic & Planning Systems, Inc.

Development Cost Assumptions

Residential development costs include land costs, direct or “hard” costs (e.g., labor and materials), and indirect or “soft” costs (e.g., architecture, entitlement, fees, marketing, etc.). Land cost estimates used in the analysis are based on data from recent land transactions in South Pasadena, and reflect the fact that land zoned for multifamily housing tends to have higher market prices than land zoned for single-family or townhome housing. Other development cost estimates are derived from EPS interviews with housing developers both within South Pasadena and the larger Los Angeles region. A developer fee is also estimated and represents the compensation to the developer for their efforts, investment, and risk. These assumptions are shown on **Table 4** and **Table 5** and indicate that the total cost per unit is about \$670,000 for rental apartments and \$588,000 for for-sale townhomes. Again, these figures represent “prototypical” projects; the actual costs for a given project will vary by location and project design characteristics.

Revenue Assumptions

To calculate the value of the affordable units, several revenue-related assumptions were made regarding applicable income levels and the percentage of household income that can be put towards housing costs, including rent. In addition, translating a revenue

⁴ This calculation is further detailed in **Table 5** below.

estimate into a total value per rental unit estimate required assumptions for operating expenses and capitalization rates. The following assumptions were used:

- *Income Levels*—The analysis estimates the subsidy required to produce units for three-person households at 50 percent AMI, 80 percent AMI, and 120 percent AMI for rental units, and 120 percent AMI for for-sale units, as shown above in **Table 3**.
- *Percentage of Gross Household Income Available for Housing Costs*—The City's inclusionary housing ordinance indicates that lower-income households should pay no more than 30 percent of their gross income on housing costs. EPS calculated the rents and sale prices that each income category would be able to pay net of other housing-related costs (e.g. utilities, insurance and taxes, HOA fees).
- *Operating Costs for Rental Units*—The analysis assumes that affordable apartment operators incur annual operating costs of \$6,000 per unit on units affordable to Low- and Very-low income households, which include the cost of management, maintenance, and common utilities (those not paid by tenants). These operating costs assume that all affordable apartments constructed for Very-Low and Low-income households would be exempt from property taxes, as allowed by State law. Rental units for moderate-income households would not be exempt from property taxes, and the operating costs for these units were adjusted up accordingly.
- *Capitalization Rate*—A capitalization rate represents the rate of return that an investor in a real estate project expects to receive, and generally indicates the project's relative risk (e.g. a lower capitalization rate suggests that a project is less risky, and therefore an investor is willing to accept a lower rate of return because the return is more guaranteed). The value of a project is calculated by dividing the net operating income (NOI) by the capitalization rate. For the rental prototypes, EPS utilized a capitalization rate of 4.0 percent.⁵

Financing Gap Results

Table 4 shows the subsidies required for construction of rental apartments for three-person households at Very-Low, Low-, and Moderate-income levels (50 percent, 80 percent, and 120 percent of AMI, respectively, adjusted as appropriate). As shown, such units are estimated to cost approximately \$670,000 to develop. The estimated operating income from those units at affordable rents would translate to values well below those development costs, ranging from \$181,000 to \$421,000. Based on this analysis, a unit affordable to a Very-Low household would require a subsidy of approximately \$489,000; a unit affordable to a Low-income household would require a subsidy of approximately

⁵ Based on H1 2021 cap rate surveys for infill multifamily development in the Los Angeles region, published by CBRE, a real estate services firm (<https://www.cbre.com/insights/reports/us-cap-rate-survey-h1-2021>)

\$249,000; and a unit affordable to a Moderate-income household would require a subsidy of approximately \$315,000.⁶

Table 5 shows the subsidies required for construction of for-sale townhome units affordable to three-person households earning Moderate-income levels (120 percent of AMI). As shown, these households could afford to pay up to roughly \$362,000 for a home, while such homes are estimated to cost approximately \$588,000 to build. Based on this analysis, building such a unit would require a subsidy of \$226,000.

It would also be possible to calculate the subsidy needed for Moderate-income units based on a maximum income level of 110 percent of AMI. Using income levels somewhat below the top of the income range (which is 120 percent of AMI for Moderate-income households) is common practice in financing gap analysis for affordable in-lieu fee calculations, as it allows more households to qualify for and afford such units. If the analysis were to use 110 percent of AMI (or \$79,200 for a three-person household) as the maximum income level for Moderate-income households, the resulting maximum affordable sales price would be \$317,000. Such a unit would require a subsidy of approximately \$271,000.

As referenced in the Introduction to this memo, these subsidies will form the basis of the in-lieu fee calculations for the City's inclusionary housing program. These calculations will be detailed in a future technical memorandum.

⁶ The subsidy for units affordable to Moderate-income households is higher than that for Low-income households due to higher operating expenses for Moderate-income units (which are not property tax-exempt) and the similarity between maximum incomes for both affordability levels (due to the adjustment up of Low-income levels as explained in **Table 3**).

Table 4 Financing Gap Pro Forma Analysis for Prototype Rental Unit Affordable to Very-Low, Low-, and Moderate-Income Households

Input Assumptions	3-4 Stories Woodframe Multifamily Building with Garage Parking			
	Very Low Income (50% AMI)	Low Income (80% AMI)	Moderate Income (120% AMI)	
Prototype Unit Assumptions				
Density/Acre	55	55	55	
Gross Unit Size	1,176	1,176	1,176	
Net Unit Size [1]	1,000	1,000	1,000	
Number of Bedrooms	2	2	2	
Number of Persons per Unit [2]	3	3	3	
Parking Spaces/Unit [3]	1.00	1.00	1.00	
Cost Assumptions				
Land/Unit [4]	\$4,750,000 /Acre	\$86,364	\$86,364	\$86,364
Direct Costs				
Direct Construction Costs/Unit [5]	\$375 /Net Sq. Ft.	\$375,000	\$375,000	\$375,000
Parking Construction Costs/Unit	\$50,000 /Space	\$50,000	\$50,000	\$50,000
Subtotal, Direct Costs/Unit		\$425,000	\$425,000	\$425,000
Indirect Costs/Unit [6]	18% of direct costs	\$76,500	\$76,500	\$76,500
<i>Land + Direct + Indirect Cost Subtotal (before Developer Fee)</i>				
		\$587,864	\$587,864	\$587,864
Developer Fee (rounded)	14% of all costs	\$82,000	\$82,000	\$82,000
<i>Total Cost/Unit (rounded)</i>		\$670,000	\$670,000	\$670,000
Maximum Supported Home Price				
Household Income [7]	\$53,200	\$85,200	\$86,400	
Revenue to Property Owner/Year [8]	\$13,212	\$22,812	\$23,172	
(less) Operating Expenses per Unit/Year [9]	(\$6,000)	(\$6,000)	(\$9,000)	
Net Operating Income	\$7,212	\$16,812	\$14,172	
Capitalization Rate [10]	4.00%	4.00%	4.00%	
<i>Total Unit Value [11]</i>	\$181,000	\$421,000	\$355,000	
Affordability Gap	(\$489,000)	(\$249,000)	(\$315,000)	

[1] Net usable space is based on an assumed efficiency ratio of 85%.

[2] For this analysis, EPS has assumed an average unit for income-qualified worker households would be 2-bedrooms. State law (Health and Safety Code Section 50052.5) indicates that a 2-bedroom unit should be assumed to be occupied by a 3-person household.

[3] Assumption of 1.0 parking spaces/unit is consistent with the City's steamlined density bonus requirements for projects including affordable housing units.

[4] Land value assumption based on data from CoStar on recent sales transactions in South Pasadena and conversations with local developers for projects of similar density.

[5] Cost assumptions include both labor and materials and are based on estimates from private developers active in South Pasadena and other parts of the region. EPS experience is that costs to develop affordable housing units are typically the same or higher than to develop market rate units.

[6] Includes estimated costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; developer fee and contingency. Based on analysis of South Pasadena's Housing Element and EPS discussions with local developers.

[7] Based on 2021 income limits for a three-person household in Los Angeles County.

[8] Assumes housing costs (e.g., rent and utilities) to be no more than 30% of gross household income.

[9] Estimated operating expenses for affordable rental units is based of EPS discussions with affordable housing developers and operators working in Southern California. Operating expenses for Very-Low and Low-Income units do not include property tax.

[10] The capitalization rate is used to determine the current value of a property based on estimated future operating income, and is typically a measure of estimated operating risk. The capitalization rate used in this analysis is based on CBRE U.S. Cap Rate Study, First Half 2021 for Los Angeles market.

[11] The total supportable unit value is determined by dividing the net operating income by the capitalization rate.

Sources: Los Angeles County; California Housing and Community Development; CBRE; and Economic & Planning Systems

Table 5 Financing Gap Pro Forma Analysis for Prototype For-Sale Unit Affordable to Moderate Income Households

Input Assumptions	Townhome with Attached Garage
	Moderate Income (120% AMI)
Prototype Unit Assumptions	
Density/Acre	20
Gross Unit Size	1,200
Number of Bedrooms	2
Number of Persons per Unit [1]	3
Parking Spaces/Unit	Attached garage
Cost Assumptions	
Land/Unit [2]	\$3,300,000 /acre \$165,000
Direct Construction Costs/Unit [3]	\$225 /net sq. ft. \$270,000
Indirect Costs/Unit [4]	30% of direct costs \$81,000
Developer Fee (rounded)	14% of all costs \$72,000
Total Cost/Unit (rounded)	\$588,000
Maximum Supported Home Price	
Household Income [5]	\$86,400
Maximum Monthly Housing Payment [6]	\$2,160
Other Housing Costs	
Insurance	\$125
Taxes [7]	\$275
HOA Fee	\$300
Maximum Monthly Mortgage Payment (after Other Housing Costs)	\$1,460
Mortgage Terms	
Down Payment	10%
Interest Rate (annual)	3.50%
Loan Term (months)	360
Total Supportable Unit Value [8]	\$362,000
Affordability Gap	(\$226,000)

[1] For this analysis, EPS has assumed an average unit for income-qualified worker households would be 2- bedrooms. State law (Health and Safety Code Section 50052.5) indicates that a 2-bedroom unit should be

[2] Estimate based on data from CoStar and local developers for projects of similar density.

[3] Cost assumptions include both labor and materials and are based on estimates from private developers active in South Pasadena and other parts of the region. EPS experience is that costs to develop affordable housing units are typically the same or higher than to develop market rate units.

[4] Includes estimated costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; developer fee and contingency.

[5] Based on 2021 income limits for a three-person household in Los Angeles County.

[6] Assumes housing costs to be 30% of gross household income. Maximum monthly payment for affordable units is inclusive of mortgage payment, insurance, and taxes.

[7] Taxes equal to approximately 1.1% of sale price.

[8] The total supportable unit value is equivalent to the down payment plus total mortgage amount, assuming a mortgage with terms for interest rate, term, and payment as shown in table.

Sources: Los Angeles County; California HCD; Economic & Planning Systems

Attachment 3

Examples of Rental and Ownership Project In-Lieu Fee Calculations

Rental In-lieu Fee Calculation Examples

(based on 1,000 square-foot average unit size)

Project Size	Affordable Units Required	On-site units in project	Unit Fraction for Payment	In-Lieu Fee: Up to 10 units: \$249/sf; 11+ units*: \$249/SqFt (Odd) or \$489/SqFt (Even)
3 units	0.6	0	0.6	\$149,400
9 units	1.8	1	0.8	\$199,200
22 units	4.4 (2 LOW, 2.4 VLI)	4 (2 LOW, 2 VLI)	0.4	\$195,600 (VLI)
27 units	5.4 (2.4 LOW, 3 VLI)	5 (2 LOW, 3 VLI)	0.4	\$99,600 (LOW)
54 units	10.8 (5.8 LOW, 5 VLI)	10 (5 LOW, 5 VLI)	0.8	\$391,200 (VLI)
59 units	11.8 (5.8 LOW, 6 VLI)	11 (5 LOW, 6 VLI)	0.8	\$195,600 (LOW)

*Based on whether number of affordable projects provided is odd or even, eliminating a very low income (VLI) unit or a low income unit.

For-sale In-lieu Fee Calculation Examples

(based on 1,500 square-foot average unit size)

Project Size	Affordable Units Required	On-site units in project	Units/Fraction for Payment	\$226/sf In-Lieu Fee
3 units	0.6	0	0.6	\$203,400
9 units	1.8	1	0.8	\$271,200
22 units	4.4	4	0.4	\$135,600
27 units	5.4	5	0.4	\$135,600
54 units	10.8	10	0.8	\$271,200
59 units	11.8	0	11.8	\$4,000,200



Planning Commission Agenda Report

ITEM NO. 4

DATE: April 18, 2022

TO: Planning Commission

FROM: Angelica Frausto-Lupo, Community Development Director
Matt Chang, Planning Manager

PREPARED BY: Jennifer Williams, AICP, Contract Planner

SUBJECT: Project No. 2392-CUP/DRX/DBR/AHR/TRP, to allow the construction of a four-story mixed-use project (Arbor Square) with approximately 3,769 square feet of commercial space and 50 residential apartment units, including 5 very low-income units, at 815 Fremont Avenue (APN: 5315-009-051)

Recommendation

It is recommended that the Planning Commission approve the requested Conditional Use Permit, Design Review, Density Bonus Review, Affordable Housing Review, and Tree Removal Permit applications.

Background

The applicant presented a general overview of the proposed project to the Planning Commission on December 14, 2021 as a presentation item only. A public hearing was not held.

Project Description

The proposed development consists of a four-story mixed-use project containing fifty (50) rental residential units, approximately 3,769 square feet (sf) of ground floor commercial space, and ground floor and underground parking at 815 Fremont Avenue. The project site is currently developed with a Carrow's restaurant and parking lot improvements, which will be demolished. The subject site is a rectangular corner lot of 35,469 sf (.81 acres) and is located on the northwest corner of Mission Street and Fremont Avenue. Access to the site is currently provided by Mission Street to the south, Fremont Avenue to the east, and via a flag driveway from Hope Street to the north.

The proposed building of roughly 117,000 sf is oriented around a proposed corner plaza at the southeast corner of the project site, fronting the northwest corner of Mission Street and Fremont Avenue. Approximately 3,769 sf of commercial space is provided on the ground floor, divided between 3 tenant spaces. Commercial Space #1 is 2,252 sf and fronts onto Mission Street and the

plaza. Commercial Space #2 is 1,160 sf and fronts Mission Street. Commercial Space #3 is 357 sf and fronts the plaza.

The proposal also provides for 50 residential rental units, including 5 very low-income units. The 50 units are comprised of 30 one-bedroom units, 18 two-bedroom units, and 2 three-bedroom units. Four of the one-bedroom units are designed as lofts which front Fremont Avenue and which are provided direct ground floor access from Fremont Avenue. The remainder 46 residential units are located on the 2nd, 3rd, and 4th floors.

In regards to open space, in addition to the prominent public facing corner plaza of approximately 1,891 sf, the project features:

1. A roof deck of approximately 614 sf on the third floor, above the fitness center, overlooking the open corner plaza;
2. Two courtyards for use by the residents of the development. Courtyard A is provided on the second floor and is approximately 2,572 sf. Courtyard B is provided on the third floor and is approximately 1,779 sf.
3. A landscape deck on the first floor on the western-most side of the site, serving as a buffer to the adjacent development
4. A number of private patios totaling approximately 2,572 sf
5. A dog run along the northern building plane, which serves as a buffer to the existing buildings to the north (residential homes that have been converted into businesses).

The proposed development provides a total of 95 parking spaces, with one level of below-grade parking (plans indicate 76 spaces total, including 5 EV, 43 standard, and 28 tandem) and one level of at-grade parking (plans indicate 19 spaces total, including 13 standard, 1 residential EV, 1 ADA residential, 1 Van ADA residential, 1 Van ADA EV residential, 1 ADA commercial, and 1 Van ADA commercial).

Project Aerial. Figure 1



Project Site – northwest corner of Mission Street and Fremont Avenue. Figure 2



Rendering of Proposed Development. Figure 3



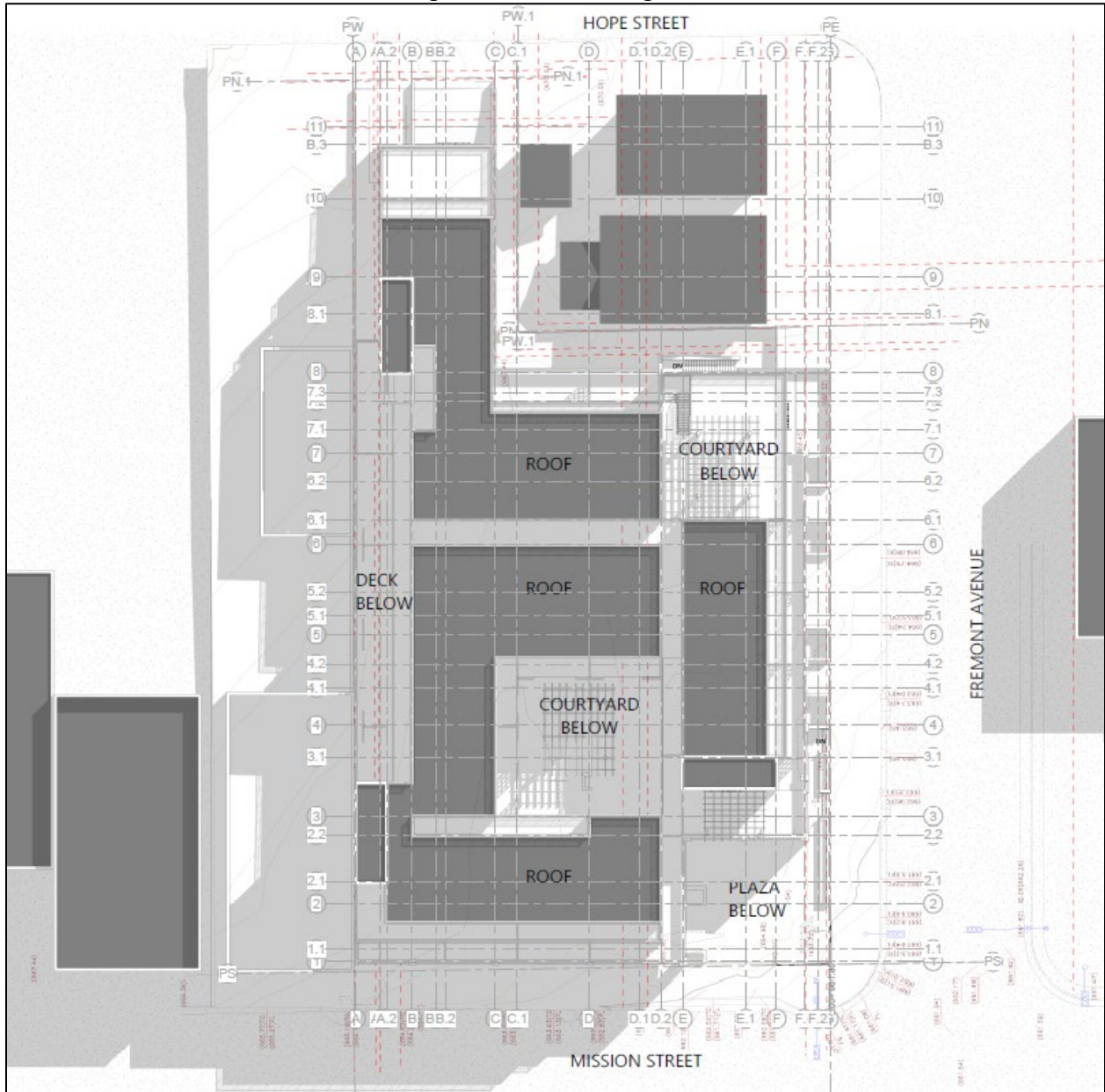
Rendering Perspective from Mission Street. Figure 4



Proposed Axonometric. Figure 5



Proposed Site Plan. Figure 6



Required Entitlements

The following entitlements are being requested:

- A. **Conditional Use Permit** for the development of a mixed-use project consisting of 50 residential apartment units and approximately 3,769 sf of commercial retail space for restaurant and retail uses in the Mission Street Specific Plan (MSSP) zoning district with one level of at-grade parking and one level of underground parking; and
- B. **Design Review Permit** for the proposed mixed-use development described above; and
- C. **Density Bonus Review** for the residential portion of the project which includes a 45% density bonus (34 base units plus 16 bonus units) pursuant to Government Code Section 65915 with 5 units reserved for very-low-income households (14.7% of the base units). The base units allowed for the site are 34 without density bonus, which is based on a net residential square footage of 25,319.2 sf divided by an average unit size of 763 sf; and
- D. **Affordable Housing Review** for two (2) incentives/concessions for 1) an increase in floor area ratio (FAR) from the permitted ratio of .8 to 1.86 (MSSP 5.0, Table 7) and 2) an increase in the permitted number of stories from two stories to four stories (MSSP 5.0, Table 7) as well as a reduced parking ratio and development standards waivers as permitted under State Density Bonus Law. The applicant is eligible to use reduced parking standards (ratio of 1/2 space per residential unit) and has applied for ten (10) development standards waivers which are listed below, pursuant to State density bonus law- CA Government Code Section 65915:
 - 1. Building height- MSSP 5.0 Table 7, Section 8.1.2 and Ordinance No. 2102
 - 2. Open space ratio- MSSP 7.3.5B
 - 3. Courtyard requirements- MSSP 7.4.4
 - 4. Number of units facing courtyard- MSSP 7.4.4.2
 - 5. Minimum courtyard sizes- MSSP 8.6.3.1
 - 6. Courtyard enclosure requirement- MSSP 8.6.3.3
 - 7. Inset entrance of commercial- MSSP 7.3.2.B.5
 - 8. Courtyard visible from the street- MSSP 8.6.3.4 & MSSP 8.6.3.5
 - 9. 95% frontage- MSSP 7.3.2.A.3
 - 10. Commercial parking- outdoor seating- MSSP 6.2.1.C; and
- E. **Tree Removal Permit** for the removal of 11 trees.

Surrounding Development and Context

The subject site is located at the northwest corner of Mission Street and Fremont Avenue, on a predominant corner in the core area of downtown South Pasadena. Photos provided on the following pages provide context. The site is surrounded by the following development and uses:

North: 2-story residential style buildings that have been converted into commercial uses directly abut the site and finish out the block to the southwest corner of Hope Street and Fremont Avenue. Current tenants include Goss & Company Accounting directly adjacent to the site and South Pasadena Arts & Music Academy. Established residential neighborhoods are located northwest of the project site across from Hope Street.

- East: (Across from Fremont Avenue- Northeast corner of Mission Street and Fremont Avenue) A Chevron service station is located at the corner, surrounded by the 3-story Mission District Lofts (residential and retail) development
- Southeast: (Southeast corner of Mission Street and Fremont Avenue) 3 story mixed-use building with a retail watch and jewelry store, beauty salon, printing business, music studio, and medical, dental, and law offices on the ground floor and residential units on the upper floors
- South: Vacant undeveloped lot; previously a gas station that was demolished in the 1990's
- West: 2-story commercial building. Tenants include Tomato Pie Pizza Joint and Palette Salon Studios on the ground floor and Regina's Music Studio and Aurora Industrial Hygiene on the second floor.
- Southwest: 1-story commercial building. Occupied by Day Ray technology company.

Project Site – northwest corner of Mission Street and Fremont Avenue. Figure 7



Looking at the existing drive aisle onto the project site from Fremont Avenue and the existing homes adjacent to the north that have been converted to commercial businesses- Google Street View. Figure 8



Looking northeast from the intersection of Fremont Avenue and Mission Street- Google Street View. Figure 9



Looking westbound on Mission Street towards project site (in background). Chevron service station and Mission District Lofts located at northeast corner of Mission Street and Fremont Avenue in foreground. Figure 10



Mission Street streetscape looking westbound- Google Street View. Figure 11



Buildings directly west of the project site on Mission Street. Figure 12



Looking southeast across Mission Street from the project site. Vacant lot directly south of the project site across Mission Street. Three-story mixed-use building at the southeast corner of Mission Street and Fremont Avenue. Figure 13



Mixed-use development at the southeast corner of Mission Street and Fremont Avenue- looking south from Mission Street. Figure 14



Mission District Lofts (residential and retail) located directly east of the project site, across Fremont Avenue- Google Street View. Figure 15



Project site, viewed from Hope Street looking south- Google Street View. Figure 16



Project Analysis

Density Bonus and Affordable Housing Review

The project includes a Density Bonus Review for the residential portion of the project which includes a 45% density bonus (34 base units plus 16 bonus units) pursuant to Government Code Section 65915 with 5 units reserved for very-low-income households (14.7% of the base units-round up to 15% pursuant to state law). The base units allowed for the site are 34 without density bonus, which is based on a net residential square footage of 25,319.2 sf divided by an average unit size of 763 sf. Further explanation of these figures is provided in the Base Zoning Calculations table on Page 3 of Attachment 4. It should be noted that Section 36.370.040(A)1 of the SPMC limits the permitted density bonus to 35% but is out of compliance with state law. The state legislature has amended Section 65915 of the Government Code several times since SPMC 36.370 was last amended in 2013. Until SPMC 36.370 is amended, Section 65915 requirements will prevail. Under Section 65915 of the Government Code, and the ratio of very-low-income units provided to total number of base units permitted, the project is eligible for the requested 45% density bonus.

Entitlements also include an Affordable Housing Review for two (2) incentives/concessions for 1) an increase in floor area ratio (FAR) from the permitted ratio of .8 to 1.86 (MSSP 5.0, Table 7) and 2) an increase in the permitted number of stories from two stories to four stories (MSSP 5.0, Table 7);

In addition, the applicant is eligible to use reduced parking standards (ratio of 1/2 space per residential unit) and has applied for ten (10) development standards waivers which are listed below, pursuant to State density bonus law- CA Government Code Section 65915:

1. Building height- MSSP 5.0 Table 7, Section 8.1.2 and Ordinance No. 2102
2. Open space ratio- MSSP 7.3.5B
3. Courtyard requirements- MSSP 7.4.4
4. Number of units facing courtyard- MSSP 7.4.4.2
5. Minimum courtyard sizes- MSSP 8.6.3.1
6. Courtyard enclosure requirement- MSSP 8.6.3.3
7. Inset entrance of commercial- MSSP 7.3.2.B.5
8. Courtyard visible from the street- MSSP 8.6.3.4 & MSSP 8.6.3.5
9. 95% frontage- MSSP 7.3.2.A.3
10. Commercial parking- outdoor seating- MSSP 6.2.1.C.

Density Bonus: State density bonus law (CA Government Code Section 65915) provides that eligible projects are entitled to a density bonus for the provision of affordable housing. The percentage of the density bonus allowed is based on the percentage of affordable housing units being provided in relation to the total number of residential units and the level of affordability of the income-restricted units that are provided. The project is eligible for a density bonus pursuant to SPMC 36.370.020(A)2 and Government Code Section 65915, as at least 5 percent of the total number of proposed units are for very low-income households, as defined in Health and Safety Code Section 50105. The project is eligible for 34 base units and a density bonus of 45% for a total of 50 units based on the provision of the 5 very-low income restricted units as proposed by the applicant.

Base Units Permitted	34 (net residential square footage of 25,319.2 sf divided by an average unit size of 763 sf = 33.18 units, round up to 34 units per state law)
Very-Low-Income Units Provided	5
Maximum Density Bonus % Permitted	45% (per State Density Bonus Law)
Maximum Bonus Units Permitted	16 (.45 density bonus allowed multiplied by 34 base units = 15.3 units, round up to 16 units per State Density Bonus Law)
Total Units Provided	50

Concessions/Incentives: State law provides that eligible projects are entitled to concessions/incentives for actual and identifiable cost reductions for the provision of affordable housing. The number of concessions and incentives allowed is based on the percentage of affordable housing units being provided in relation to the total number of residential units and the level of affordability of the income-restricted units that are provided. The City commissioned a third-party review to analyze whether the specific concessions/incentives being requested by the applicant (increases in floor area ratio and number of stories), in addition to the density bonus, were required to fulfill Section 65915(d)1 criteria and to provide for affordable housing costs (Attachment 4). Keyser Marston Associates (KMA) provided a detailed financial analysis that considered both a zoning compliant project without concessions/incentives and the proposed project. Their analysis found that the specific concessions/incentives being requested by the applicant are anticipated to result in identifiable and actual cost reductions as required by Section 65915(d)1 and that there is insufficient support for the City to reject the specific concessions/incentives being requested by the Applicant under the financial evidence requirements imposed by Section 65915(d)(1)(A).

Development Standards Waivers: State law provides that eligible projects must be granted development standards waivers when said waivers are required to make the development of the project with the permitted density bonus and with the concessions/incentives that the applicant is entitled to physically possible. Unlike concessions and incentives, which are available to allow for actual and identifiable cost reductions for the provision of affordable housing, development standards waivers are permitted under state law to allow for relief from development standards that would physically preclude the project from being built. City staff also reviewed the requested development standards waivers as requested under Section 65915. City staff reviewed the ten (10) development standards waivers as requested under Section 65915 and found that the waivers were required to allow for the physical construction of the project at the density and with the concessions/incentives that the applicant is entitled to under State density bonus law.

Reduced Parking Standards: Staff analyzed the project’s eligibility for reduced parking standards and found that the residential component of the project was eligible for a reduced parking standard of ½ space per unit in accordance with Section 65915. This would result in only 25

parking spaces being required for the residential portion of the site. Despite the request, the applicant has provided a total of 95 parking spaces for the project and voluntarily exceeded the minimum parking requirements which allows for more flexibility with the commercial component of the project.

SB 330 Applicability

The project is subject to permit streamlining under state law. Under the Permit Streamlining Act (CA Government Code Section 65905.5; Housing Crisis Act of 2019- Senate Bill 330; updated via SB8) the project is subject to a maximum of 5 hearings. This includes appeals. "Hearing" is broadly defined to include any workshop or meeting of a board, commission, council, department, or subcommittee. The project was presented to the Planning Commission on December 14, 2021 as a presentation item, which the City does not believe qualifies for a hearing although the developer is disputing that interpretation.

Inclusionary Housing Ordinance Not Applicable

It should be noted that the proposed project is not subject to the recently adopted Inclusionary Housing Requirements under SPMC Section 36.375 as the applicant submitted a SB330 application on February 22, 2021, prior to the effective date of the Inclusionary Housing Requirements on June 4, 2021. Nonetheless, the project includes 5 very-low income units (14.7% of 34 unit base density). For reference, had the project been subject to the Inclusionary Housing Ordinance, a total of 7 units would have been required (20% of the base density) to have been designated for extremely low-, very low-, and lower-income households, resulting in a total difference of 2 units.

General Plan Requirements

The subject site has a land use designation of Mission Street Specific Plan (MSSP). The General Plan Land Use Element states that the specific plan was developed to address the impacts of the light rail station and to implement the community vision of Mission Street as South Pasadena's pedestrian oriented, historic shopping district. Development objectives and guidelines include fostering activity and pedestrian usage (Objective 1.1) by encouraging higher density in proximity to transit, promoting and maintaining mixed-use development, and encouraging pedestrian and bicycle activity. Objective 1.4 is to assure a range of affordable housing in the City.

There is no prescribed density for the Mission Street Specific Plan in the Land Use Element or on the General Plan Land Use map. The Land Use Element defers regulatory mechanisms within the specific plan to establish base density. Planning staff arrived at the allowable base density of 34 units by dividing the net residential square footage allowable (25,391 sf) by an average unit size figure of 763 sf (taken from the Housing Element). Further explanation of these calculations is provided in the Base Zoning Calculations table on Page 3 of Attachment 4.

The Arbor Square mixed-use project proposes development of new ground floor pedestrian-oriented commercial uses, which may include a mix of retail and restaurant uses, including areas for outdoor dining as well as multifamily residential uses located above and behind commercial uses consistent with the General Plan and the MSSP. The project encourages a mixture of housing types by including 1-, 2-, and 3-bedroom apartment units as well as lofts, and voluntarily provides

for 14.7% of the base units (5 total units) to be restricted as available only for households with very-low incomes. The project provides ample bicycle parking and features a pedestrian corner plaza and has been designed to accommodate outdoor dining and community interaction consistent with the goals and policies of the General Plan. With the inclusion of these features, the proposed project is consistent with the General Plan designation and policies.

Zoning Code Requirements

The Mission Street Specific Plan (MSSP) is the governing zoning document for the site. The site is located within the Core Area (District A) of the MSSP. Development objectives for the Core Area/District A of the MSSP include developing Mission Street as a continuous pedestrian-oriented street with a mix of retail and restaurant uses and re-establishing Mission Street as the historic downtown of South Pasadena. The project is consistent with these objectives by both providing commercial space for retail and restaurant uses on the ground floor fronting Mission Street, providing a public corner plaza which activates the pedestrian realm, and infusing people into the downtown with the provision of 50 residential units which are located primarily above the ground floor, with the exception of 4 units which are accessed from the ground level on Fremont Avenue.

To analyze project compliance with zoning code development standards, a comprehensive zoning code and development standards summary table was prepared and is provided as an attachment to this report (Attachment 7). With the exception of the density bonus and deviations being granted from the zoning standards through the permitted incentives, concessions, waivers, and reduced parking ratios allowed under California Government Code Section 65915, the project complies with the zoning requirements.

Conditional Use Permit

The MSSP requires a conditional use permit for mixed-use projects. SPMC 36.410.060(A) states that conditional use permits are intended to allow for activities whose effect on a site and its surroundings can only be determined after the review of the configuration, design, location, and potential impacts of the proposed use and the suitability of the use to the site. In summary, SPMC 36.410.060(F) requires the reviewing body to make findings to ensure that:

1. The project is compatible with the General Plan, zoning code, and any applicable specific plans;
2. That the use won't be detrimental to people residing or working in the area, or to property and improvements, or the general welfare of the City;
3. That the subject size is adequate to accommodate the use; and
4. That the use will be compatible to existing and future land uses in the vicinity.

As described further above in the analysis, with the exception of those allowances permitted under State density bonus law (CA Government Code Section 65915), the project will be compatible with the General Plan, zoning code, and Mission Street Specific Plan. The proposed Arbor Square mixed-use project would not be detrimental to the health, safety, or general welfare of persons residing or working in the neighborhood and is designed to integrate with the surrounding area. The proposed project provides adequate open spaces and facilities, such as a dog run, fitness center, and functional courtyards, for use by the future residents and provides adequate vehicular and

bicycle parking and refuse storage. The subject site will adequately accommodate the functions and activities proposed for the project site. The mixed residential and commercial nature of the proposed use is consistent with the surrounding area, which contains a mix of commercial, residential, and institutional uses, with commercial uses primarily occurring at the ground-floor level along Mission Street.

Design Review

SPMC 36.410.040 grants the reviewing body design review authority over proposed development. In summary, design review authority is granted for the purpose of encouraging orderly and harmonious development, ensure that new uses and structures enhance their sites and are compatible with surrounding neighborhoods, better protect values and standards of land, retain and strengthen the visual quality of the community, promote aesthetics, ensure development is compliant with city standards and design guidelines, and promote the actions, goals, objectives, policies, and programs of the General Plan and any applicable specific plans by preserving the particular character and unique assets of South Pasadena.

The proposed development consists of a four-story mixed-use building which is oriented around a corner plaza featured at the northwest corner of Mission Street and Fremont Avenue. The first two stories along the Mission Street frontage are designed as a series of storefronts with large glass front windows and doors, housing two separate tenant spaces and designed in keeping with the architectural rhythm of the block. On Mission Street, the third floor is stepped back from the second floor by approximately 7', with outdoor recreational open space being sited directly above the second floor to provide utility to the space. The fourth floor is stepped back an additional 6' from the third floor, with outdoor recreational space also being sited directly above the third floor.

Project rendering from Mission Street perspective. Figure 17



Project rendering from intersection of Mission Street and Fremont Avenue. Figure 18



The storefront façade wraps along throughout the corner plaza and along Fremont Avenue, where the use changes from commercial to residential, with 4 lofts accessible via walk up from Fremont Avenue.

Project rendering from Fremont Avenue perspective. Figure 19



Along Hope Street, the building is set back approximately 20' from the property line, with the third floor stepped back approximately 17' from the second floor, and the fourth floor stepped back approximately 6' from the third floor.

Project rendering from Hope Street perspective. Figure 20



The project's architectural style incorporates varying building forms and stepped back building elevations and utilizes a combination of exterior materials including brick, smooth stucco, and extruded aluminum tongue and groove and link and lock siding.

In regard to open space, the project features a prominent corner plaza of approximately 1,891 sf intended to activate the street and to be a useful amenity for both outdoor dining and community events. Additional open space for residents is provided by a combination of two courtyards, a roof deck, a landscape deck, several private patios, and a dog run.

In addition to the development standards and regulations contained within the MSSP, Section 8.1 contains design guidelines for new buildings in District A. The design guidelines address building and parking configuration, basic elements of a storefront building, exterior building materials, exterior colors, and unique characteristics of architectural styles.

There is currently a mixture of one-, two-, and three-story buildings in the project vicinity. It should be noted that several three-story buildings already exist in the area and/or immediate project vicinity, including a mixed-use building at 815 Fairview Avenue, the Mission Meridian Village (803-809 Meridian Avenue), a mixed-use building (Mission District Lofts- 812 Fremont) located directly east of the project site, and a mixed-use building at the southeast corner of Mission Street and Fremont Avenue (1401 Mission Street).

It should also be noted that, due to the provision of the affordable housing component of the Project, the developer is entitled to a density bonus, concessions and incentives, reduced parking ratios, and development standards waivers pursuant to State density bonus law (CA Government Code Section 65915). For the proposed project, the developer is entitled to the two

concessions/incentives they have requested, which include an increase in the permitted number of stories (from the permitted two stories to the proposed four stories) and an increase in floor area ratio (from the permitted .8 ratio to the proposed 1.86 ratio). Additionally, the developer is entitled to a development standards waiver for increased building height from the permitted 32' to 52' to the top of the building parapet (not including architectural projections- elevator tower is at 57') to allow the permitted increase in the number of stories to be feasible in accordance with State law.

While the abovementioned variations inherently allow for increased height, mass, and scale, care was taken with the design to achieve compliance with the design guidelines to the greatest extent possible. While undoubtedly larger in height and mass than the existing buildings surrounding the project site, the applicant was responsive to comments and requests by staff which resulted in stepping the third and fourth floors back to reduce massing and to provide visual relief. Open space areas were thoughtfully arranged to make utility of the site for the future residents while also providing buffers from adjacent development. The project's architectural style incorporates varying building forms and stepped back building elevations and utilizes a combination of quality exterior materials including brick, smooth stucco, and extruded aluminum tongue and groove and link and lock siding. Along Mission Street, the two-story commercial storefront style façade is accentuated. The proposed façade along Mission Street would be divided into multiple storefront and pedestrian openings, creating a rhythm that is consistent with other existing buildings along Mission Street. The general site design and layout, as well as the architectural style, is compliant with the MSSP. Buildings front both Mission Street and Fremont Avenue and parking is located underground and behind the buildings. The architecture contains elements that lend itself to the commercial vernacular style, with the variations in wall planes due to the step back of the third and fourth floors and the use of architectural detailing and appropriate building materials, including brick and glass, contributing to the continuation of the storefront style along Mission Street and wrapped around the corner plaza up Fremont Avenue.

The proposed design is thoughtfully arranged in a manner that capitalizes on the allowances from development standards that are permitted under State law (CA Government Code Section 65915) while still striving for compliance with the Mission Street Specific Plan Design Guidelines.

Tree Removal Permit

Tree Removal permits fall under the purview of the Public Works Department; however, the City Arborist's recommendations are forwarded to the reviewing body for associated entitlement applications that are up for consideration. A tree removal permit application, tree removal plan, and an arborist report were submitted to the Public Works Department for the removal of 11 trees on-site to allow for redevelopment of the project site. The materials submitted in Attachment 5 identify and document the location, size, species, and condition of the trees proposed for removal. The Public Works Department conducted a site inspection, and it was determined that all of the trees would require removal to allow for the new development due to the amount of excavation required to support the underground parking garage and new building coverage of the site. The tree removal request was considered by the Public Works Director in December of 2021 and was recommended for approval to the Planning Commission subject to the conditions outlined in PW 26-31. Conditions PL 19-20 are also included to address removal of the trees during nesting season.

Environmental Analysis

This proposed project qualifies for a Class 32 CEQA Exemption, pursuant to Section 15332 of the California Environmental Quality Act (CEQA), which exempts In-Fill Development Projects which meet the following conditions:

(a) 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.

With the density bonus allowance, concessions/incentives, and development standards waivers allowed under State Density Bonus Law (65915), the project is consistent with the applicable general plan designation of Mission Street Specific Plan, general plan policies, MSSP District A zoning designation, and applicable zoning regulations. Further discussion on this point is provided in the draft resolution provided as Attachment 1.

(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

The proposed development is located within city limits of a project site of approximately .80 acres and is substantially surrounded by urban uses, being located in District A- the core area- of the City of South Pasadena's downtown. The subject site is already developed with a sit-down restaurant and parking lot improvements and is fully surrounded by developed uses. The vacant lot to the south of the project site across Mission Street was also previously developed as a gas station and was demolished in the 1990's.

(c) The project site has no value as habitat for endangered, rare, or threatened species.

The site is completely developed with a Carrow's restaurant and parking lot improvements. It provides no known value as habitat for endangered, rare, or threatened species, and is not located within an environmentally sensitive area. Nonetheless, as a precautionary measure, Conditions 19-20 in Attachment 1 have been included to ensure implementation of commonly required avoidance/minimization measures for compliance with the federal Migratory Bird Treaty Act and California Fish and Game Code.

(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

The City retained a third-party consultant to perform technical studies evaluating traffic, noise, and air quality. WGZE performed the traffic and noise analysis and their subconsultant, Bird's Eye Planning Group, prepared an air quality analysis. The traffic report addressed potential impacts to traffic circulation and levels of service (LOS) in addition to vehicular miles traveled (VMT). An acoustical assessment was undertaken to study both construction-related and operational noise and evaluate potential impacts the project may have on the environment. The air quality analysis evaluated the project against applicable air pollution regulations, regional climate and local air quality standards, the regional Air Quality Management Plan, and sensitive receptors during both

construction and regular operations. Each of these reports consulted applicable federal, state, regional and local regulations and thresholds and found that the project would have no significant effects on traffic, noise, or air quality. These reports are included in Attachments 6. Further discussion on these reports is provided in the draft resolution provided as Attachment 1.

In addition, staff conducted a water quality analysis and found that there were no surface water features identified in the project area, that the existing developed site was already connected to an existing stormwater drainage system, that the net increase of impervious surface area would be negligible, and that the site would comply with the City's standards for stormwater pollution control measures both during construction and operationally as outlined in Chapter 23.14 of the SPMC.

As outlined in the Low Impact Development (LID) report prepared by the project engineer of record, an infiltration system is proposed at the southeast corner of the site, underneath the proposed underground parking. The system includes a catch basin filter used for pretreatment which can capture trash, debris, sediment and hydrocarbon, a drywell, and a cistern. The infiltration system would capture and filter runoff before it enters the storm drain system, thereby removing pollutants and reducing the rate and volume of stormwater flow.

Because the project would not substantially increase stormwater runoff and would comply with City requirements to control and filter runoff, development of the proposed project would not degrade the quality of stormwater runoff from the site. Further discussion on Water Quality is provided in the draft resolution provided as Attachment 1.

(e) The site can be adequately served by all required utilities and public services.

The site can be adequately served by all required utilities and public services. The site is located in a developed urban area with available water, sewer, storm drain, natural gas, electricity, telephone, and internet service with adequate capacity to serve the proposed development.

Furthermore, the City of South Pasadena retained an outside consultant, Carollo Engineers, to perform a water capacity study to ensure that adequate water flow and fire flow could be provided, due to known issues with water pressure in the downtown area. That report analyzed various scenarios and provided a solution in which the project can be adequately served. The report is included in Attachment 6. The City additionally included Condition PW-12 to require the developer to provide a sewer study during the plan check phase to ensure that the proposed sewer outlet on adjacent streets is sufficient to handle the proposed sewage flow and to clarify the developer's responsibility for any upsizing or other improvements that may be required to handle the project flow.

The new development will be served by South Pasadena Unified School District and will pay school fees prior to occupancy. Police and Fire services will be provided through the City of South Pasadena municipal Police and Fire Departments.

As outlined above, the site can be adequately served by all required utilities and public services.

Findings/Recommendation

The project meets the standards for the requested Conditional Use Permit, Design Review, Density Bonus Review, Affordable Housing Review, and Tree Removal Permit as outlined in the report above and described in detail in the draft resolution included with this report as Attachment 1. Staff recommends that the Planning Commission make the findings in the draft resolution (Attachment 1) and approve the project.

Alternatives to Consider

If the Planning Commission does not agree with Staff's recommendation, the following options are available:

1. Approve the project with modified/added conditions;
2. Continue the project to address comments discussed; or
3. Deny the project.

Public Noticing

A public hearing notice was published April 8, 2022 in the South Pasadena Review newspaper. Hearing notices were sent to all properties within a 300-foot radius on April 7, 2022. In addition, the public was made aware that this item was to be considered at a public hearing by virtue of its inclusion on the legally publicly noticed agenda and posting of the same agenda and reports on the City's website.

Public Comment/Community Outreach

The applicant indicated that they undertook the following community outreach efforts:

Date	Description
January 2019	300' mailing to surrounding property owners for neighbor introduction
July 2019	Presentation of initial design to South Pasadena Chamber of Commerce
November 2019	Presentation of initial design to South Pasadena Rotary
September 2021	Meetings with neighbors – 803 Fremont Avenue and 1130 Mission Street
October 2021	300' mailing to property neighbors providing written narrative and project plans Meeting with neighbors – 807 Fremont Avenue and 1127 Mission Street
November 2021	Presentation of updated design to South Pasadena Rotary Meeting with neighbor – 1124 Mission Street
December 2021	Presentation of updated design to South Pasadena Chamber of Commerce Informational presentation to Planning Commission with current design
January 2022	Presentation of updated design to Hope Street residents Presentation of updated design to WISPPA – Women Involved in South Pasadena Political Activism
February 2022	Presentation of updated design to South Pasadena Chinese American Club

The applicant has also submitted several letters in support of the project which are attached to this report as Attachment 8. Any comments received directly from the public are also attached to this report as Attachment 8.

Next Steps

If the Planning Commission approves the project, a 15-day appeal period will commence in which any person affected by the decision may appeal the decision for a public hearing by the City Council. Should there be no appeals during this 15-day period, the applicant may proceed through the Plan Check Process with the Building Department and staff will review the construction plans to ensure that all conditions are satisfied.

Attachments

1. Draft Resolution and Conditions of Approval
2. Applicant's Design Narrative and Request for Incentives/Concessions/Waivers
3. Project Plans
4. Section 65915 Financial Analysis and Report by Keyser Marston Associates (KMA)
5. Arborist Report and Tree Removal Permit Information
6. Technical Studies
 - a. Traffic Analysis
 - b. Noise Analysis
 - c. Air Quality Analysis
 - d. Hydrology and LID Report
 - e. Water System Design Report
 - f. Hydraulic Analysis
7. Zoning / Development Standards Table
8. Public Comments

ATTACHMENT 1

Draft Resolution and Conditions of Approval

P.C. RESOLUTION NO. 22-xx

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SOUTH PASADENA MAKING A DETERMINATION OF A CLASS 32 CEQA EXEMPTION FOR PROJECT NO. 2392-CUP/DRX/DBR/AHR/TRP – ARBOR SQUARE MIXED-USE PROJECT AND APPROVING APPLICATIONS FOR A CONDITIONAL USE PERMIT, DESIGN REVIEW, DENSITY BONUS REVIEW, AFFORDABLE HOUSING REVIEW, AND TREE REMOVAL PERMIT FOR THE CONSTRUCTION OF A PROPOSED MIXED-USE PROJECT LOCATED AT 815 FREMONT AVENUE (ASSESSOR’S PARCEL NUMBER 5315-009-051)

WHEREAS, on February 8, 2021 and March 23, 2021, Urbanest Group, Inc., (applicant) on behalf of the property owner, submitted applications for a Conditional Use Permit, Design Review, Density Bonus Review, Affordable Housing Review, and Tree Removal Permit, to demolish an existing non historic building, and to construct a new mixed-use project (Arbor Square Mixed-Use Project) consisting of 50 residential rental units (45 market rate units and 5 units designated for very-low income households), approximately 3,769 square feet of indoor commercial retail space, outdoor dining areas, and 95 parking spaces on the ground level and one subterranean level (Project) on an approximately 35,469-square foot site located at 815 Fremont Avenue, (Assessor’s Parcel Numbers 5315-009-051); and

WHEREAS, the proposed project (Arbor Square Mixed-Use Project) is considered a “Project” as defined by the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq.; and

WHEREAS, the City determined that the proposed project is eligible for a Class 32 CEQA exemption for compliance with the provisions of CEQA; and

WHEREAS, the City of South Pasadena (City) commissioned licensed professional consultants to prepare a hydraulic analysis for water service and technical studies analyzing traffic, air quality, noise, as well as an independent real estate economics advisory firm to analyze the affordable housing component of the project; and

WHEREAS, in accordance with state law, on April 8, 2022, the City of South Pasadena Community Development Department published a legal notice in compliance with South Pasadena Municipal Code Section 36.630.020 concerning the Arbor Square Mixed-Use Project in the *South Pasadena Review*, a local newspaper of general circulation, regarding the City of South Pasadena Planning Commission meeting of April 18, 2022. In addition, on April 7, 2022, a public hearing notice was mailed to each property owner within a 300-foot radius of the project site, indicating the date and time of the public hearing at the Planning Commission for the Arbor Square Mixed-Use Project.

WHEREAS, on April 18, 2022, the Planning Commission conducted a duly noticed public hearing, at which time public testimony was taken concerning the Arbor Square Mixed-Use Project and Class 32 CEQA Exemption and considered the Class 32 CEQA Exemption for the proposed project pursuant to Section 15332 of CEQA.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF SOUTH PASADENA DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1: ENVIRONMENTAL REVIEW FINDINGS

The Planning Commission hereby finds and determines as follows:

- A. Lead Agency: That the City is the lead agency for the project pursuant to the California Environmental Quality Act (“CEQA,” Cal. Pub. Res. Code §21000 et seq.), State CEQA Guidelines (the “Guidelines,” 14 Cal. Code Regs. §15000 et seq.)
- B. Class 32 In-Fill Development Projects Categorical Exemption: Pursuant to CEQA (21084) and the State CEQA Guidelines (15300) the Secretary for Resources has found a number of classes of projects do not have a significant effect on the environment, and they are declared to be categorically exempt from the requirement for the preparation of environmental documents. The City analyzed the project in light of the Class 32 (15332) In-Fill Development Projects exemption for projects characterized as in-fill development meeting the following characteristics, and found the project to be eligible for the Class 32 Exemption:

(a) 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.

The subject site has a land use designation of Mission Street Specific Plan (MSSP). The Mission Street Specific Plan is also the governing zoning document for the site. The site is located within the Core Area (District A) of the MSSP.

The General Plan Land Use Element states that the MSSP was developed to address the impacts of the light rail station and to implement the community vision of Mission Street as South Pasadena’s pedestrian-oriented, historic shopping district. Development objectives and guidelines include fostering activity and pedestrian usage (Objective 1.1) by encouraging higher density in proximity to transit, promoting and maintaining mixed-use development, and encouraging pedestrian and bicycle activity. Objective 1.4 is to assure a range of affordable housing in the City.

Development objectives for the Core Area/District A of the MSSP include developing Mission Street as a continuous pedestrian-oriented street with a mix of retail and restaurant uses and re-establishing Mission Street as the historic downtown of South Pasadena. The project is consistent with these objectives by both providing commercial space for retail and restaurant uses on the ground floor fronting Mission Street, providing a public corner plaza which activates the pedestrian realm, and infusing people into the downtown with the provision of 50 residential units which are located primarily above the ground floor, with the exception of 4 units which are accessed from the ground level on Fremont Street.

There is no prescribed density for the Mission Street Specific Plan in the Land Use Element or on the General Plan Land Use map. The Land Use Element defers to regulatory mechanisms within the specific plan to establish base density. The project would comply with zoning ordinance requirements set forth in the Mission Street Specific Plan and the South Pasadena Municipal Code (SPMC), with the exception of the allowances permitted under the City's Municipal Code (Division 36.370 – Affordable Housing Incentives) and/or State Density Bonus Law (Government Code Section 65915), which include a density bonus, concessions and incentives, reduced parking ratios, and development standards waivers.

The Arbor Square mixed-use project proposes development of new ground floor pedestrian-oriented commercial uses, which may include a mix of retail and restaurant uses, including areas for outdoor dining as well as multifamily residential uses located above and behind commercial uses consistent with the General Plan and the MSSP. The project encourages a mixture of housing types by including 1-, 2-, and 3-bedroom apartment units as well as lofts, and voluntarily provides for 14.7% of the base units (5 total units) to be restricted as available only for households with very-low incomes. The project provides ample bicycle parking and features a pedestrian corner plaza and has been designed to accommodate outdoor dining and community interaction consistent with the goals and policies of the General Plan and MSSP. With the inclusion of these features, the proposed project is consistent with the General Plan designation and policies and with applicable zoning designations 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.

The proposed development is located within city limits of a project site of approximately .80 acres and is substantially surrounded by urban uses, being located within District A- the Core Area- of the City of South Pasadena's downtown. The subject site is already developed with a sit-down restaurant and parking lot improvements and is fully surrounded by developed uses. The vacant lot to the south of the project site across Mission Street was also previously developed as a gasoline service station and was demolished in the 1990's.

(c) The project site has no value as habitat for endangered, rare or threatened species.

The site is completely developed with a Carrow's restaurant and parking lot improvements. It provides no known value as habitat for endangered, rare, or threatened species, and is not located within an environmentally sensitive area. Nonetheless, as a precautionary measure, Conditions PL-19 and PL-20 have been included to ensure implementation of commonly required avoidance/minimization measures for compliance with the federal Migratory Bird Treaty Act and California Fish and Game Code:

PL-19. If project construction is initiated and vegetation removal or grading activities are to take place during the nesting season (January 15 - September 15), a nesting survey shall be completed by a qualified biologist within 3 days

prior to the commencement of any work on the site to determine whether nesting birds are present.

PL-20. If active nests are observed on or near the Project site, a no-work buffer must be established for each nest and/or biological monitoring may allow construction activities to resume until after the young have left the nest, as determined appropriate by the qualified biologist.

(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

Approval of the project will not result in any significant effects related to traffic, noise, air quality, or water quality, as detailed below:

1. Traffic

The City commissioned W.G. Zimmerman Engineering, Inc. (Zimmerman Civil Engineers) to conduct a traffic impact study to analyze potential impacts of the project. The report addressed potential impacts to traffic circulation and levels of service (LOS) in addition to vehicular miles traveled (VMT). Field traffic counts were conducted and proximate intersections were analyzed. The report found that the proposed project is forecast to result in no significant traffic impact at the study intersections. The report also found that the project met the City's screening criteria for a determination that the project would be presumed not to have potential impacts to vehicle miles traveled (VMT) as it will result in a total of less than 100 net trips per day and as it is located within a low VMT area.

2. Noise

The City commissioned W.G. Zimmerman Engineering, Inc. (Zimmerman Civil Engineers) to conduct a noise study to analyze potential noise impacts of the project. An acoustical assessment was undertaken to study both construction-related and operational noise and evaluate potential impacts the project may have on the environment. The study evaluated the project location, setting, and description amongst federal, state, and local regulations and looked at the proximity of the site to sensitive receptors. The report determined that, based on the data collected and the model set forth by the Federal Transit Administration (FTA) and Federal Highway Administration (FHWA), the construction, operational, and traffic noise and vibration would not add a significant level of noise and no mitigation would be required.

3. Air Quality

The City commissioned an air quality analysis that was conducted by Birds Eye Planning Group as a sub-consultant of W.G. Zimmerman Engineering, Inc. (Zimmerman Civil Engineers) to evaluate potential air quality impacts of the project. The report evaluated the project against applicable air pollution regulations, regional climate and local air quality standards, the regional Air Quality Management Plan, and sensitive receptors. The report provided impacts analysis of

both construction emissions and long-term operations and also considers objectionable odors.

Construction-related air quality: The report found that construction emissions would be less than significant with the project being subject to standard compliance with South Coast Air Quality Management District's (SCAQMD) Rule 403 and Rule 1113, that construction-related emissions would not exceed local significance thresholds, that no significant short-term toxic air contaminant impacts would occur during construction of the proposed project, and that no significant impacts related to odors would occur during construction. Conditions PL-14 through PL-18 relative to minimizing disturbance, dust control, soil stabilization, no grading during high winds, and street sweeping are included to ensure that the project complies with SCQAMD's Rule 403 and does not result in significant impacts.

Operational air quality: Daily emissions would not exceed the SCAQMD thresholds for ROG, NOX, CO, SOX, PM10 or PM2.5. Therefore, the project's regional air quality impacts (including impacts related to criteria pollutants, sensitive receptors and violations of air quality standards) would be less than significant. Further, the project would not contribute to a cumulatively considerable impact. No significant impact related to odors would occur during operation of the proposed project. The project would be subject to SCAQMD Rule 1138 which addresses restaurant emissions.

In conclusion, the project would be consistent with the adopted Air Quality Management Plan (AQMP) and not cause an adverse impact on the environment.

4. Water Quality

The Arroyo Seco is approximately 1 mile west of the site and does not flow through or adjacent to the site. The project site is currently developed and the construction of the proposed project would not alter the course of Arroyo Seco or any other stream or river. No other surface water features are identified in the project area.

The proposed project is located on a developed site that is already connected to an existing stormwater drainage system located within the City of South Pasadena. The existing site contains approximately 31,200 sf of impervious surface area (88% of the site- Carrow's restaurant and parking lot and drive aisle improvements). With the proposed project, the total impervious area would be approximately 31,900 sf (90% of the site) for a net increase of only 700 sf.

Under Section 23.14(c)(12) of the SPMC, the project is considered a redevelopment project and must comply with the current municipal NPDES permit, lessen the water quality impacts of development by using smart growth practices, and integrate LID design principles to mimic predevelopment hydrology through infiltration, evapotranspiration and rainfall harvest and use.

The project will be required to comply with NPDES requirements and Best Management Practices (BMPs) both during construction and in terms of permanent facilities when the project is operational. The City of South Pasadena routinely reviews construction related (BMPs) during the grading plan check with the review

of the erosion control plan. In regards to permanent facilities for water quality for the operation of the project, an infiltration system is proposed at the southeast corner of the site, underneath the proposed underground parking. The system includes a catch basin filter used for pretreatment which can capture trash, debris, sediment and hydrocarbon, a drywell, and a cistern. The infiltration system would capture and filter runoff before it enters the storm drain system, thereby removing pollutants and reducing the rate and volume of stormwater flow.

The incremental increase in impervious surface that would occur with development of the project would not substantially increase runoff from the project site such that new or increased flooding would occur on- or off-site. Stormwater leaving the project site would enter the City's existing stormwater conveyance system via catch basins along Mission Street and Fremont Avenue. The incremental increase in impervious surface that would result from construction of the proposed project would not create or contribute runoff that would exceed the capacity of the existing stormwater conveyance infrastructure or otherwise result in flooding on or near the project site.

Because the project would not substantially increase stormwater runoff and would comply with City requirements to control and filter runoff, development of the proposed project would not degrade the quality of stormwater runoff from the site.

(e) The site can be adequately served by all required utilities and public services.

The site can be adequately served by all required utilities and public services. It is located in a developed urban area with available water, sewer, storm drain, natural gas, electricity, telephone, and internet service. The site is currently developed with an active restaurant use with active utility connections and also currently served by existing available public services such as police and fire.

With construction of the project, utilities will be upgraded as required to ensure proper sizing and capacity needs are met. The City of South Pasadena commissioned a third-party hydraulic distribution system analysis by Carollo Engineers. The Carollo report indicates that, with the recommended improvements and modifications in the report, the City's water distribution system can provide the required demand for the new development under both normal and fire flow conditions while meeting the minimum system pressure criteria. Conditions PW-14 and FD-5, FD-12, FD-14 are included to ensure that the developer provides the necessary improvements to meet those flows. The City additionally included Condition PW-12 to require the developer to provide a sewer study during the plan check phase to ensure that the proposed sewer outlet on adjacent streets is sufficient to handle the proposed sewage flow. This condition also clarifies the developer's responsibility for all sewer improvements that may be necessary to provide adequate capacity.

The new development will be served by South Pasadena Unified School District and will pay school fees prior to occupancy. Police and Fire services will be provided through the City of South Pasadena municipal Police and Fire Departments.

As outlined above, the site can be adequately served by all required utilities and public services.

- C. Exceptions: Additionally, the City reviewed exceptions to Categorical Exemptions pursuant to 15300.2 of the CEQA Guidelines and finds that the project will not result in cumulative impacts, significant effects due to unusual circumstances, damage to scenic highways, or a substantial adverse change in the significance of a historical resource, nor is the project site located on a hazardous waste site. Therefore, the exceptions to Categorical Exemptions are not applicable to the project.

SECTION 2: CONDITIONAL USE PERMIT FINDINGS

The Planning Commission finds that the proposed project is consistent with all applicable findings for approval of a Conditional Use Permit pursuant to South Pasadena Municipal Code (SPMC) Section 36.410.060, as follows:

- 1. The proposed use is allowed with Conditional Use Permit or Administrative Use Permit approval within the applicable zoning district and complies with all applicable provisions of this Zoning Code;**

The proposed Arbor Square mixed-use project and outdoor dining are allowed with approval of a Conditional Use Permit within the “Core Area/District A” of the MSSP. The MSSP includes a stated objective to develop Mission Street as a continuous pedestrian-oriented street with a mix of retail and restaurant uses. The MSSP states that District A is intended for development of pedestrian oriented shopping uses along Mission Street with continuous storefronts and multi-family housing uses above and behind storefronts.

Permitted land uses within District A include restaurants, housing units, convenience retail, and convenience services. The project proposes to provide ground floor commercial retail and restaurant space along Mission Street with a pedestrian-oriented corner plaza Mission Street and Fremont Avenue that can be made used for outdoor dining activate the corner. The project proposes residential uses on the upper floors, with the exception of four townhome-style units that would be accessed from the ground floor left on Fremont Avenue, which would promote activity in the downtown area by providing for 50 new residential units. The proposed project complies with the MSSP objectives for a mixed-use project and is allowed with a Conditional Use Permit

The project complies with all applicable development standards and provisions of the MSSP with the exception of those allowances that are permitted under CA Government Code Section 65915 (State Density Bonus Law) for the requested density bonus, concessions/incentives, reduced parking ratios, and development standards waivers.

- 2. The proposed use is consistent with the General Plan and any applicable specific plan.**

The subject site has a land use designation of Mission Street Specific Plan (MSSP). The Mission Street Specific Plan is also the governing zoning document for the site. The site is located within the Core Area (District A) of the MSSP.

The General Plan Land Use Element states that the MSSP was developed to address the impacts of the light rail station and to implement the community vision of Mission Street as South Pasadena's pedestrian-oriented, historic shopping district. Development objectives and guidelines include fostering activity and pedestrian usage (Objective 1.1) by encouraging higher density in proximity to transit, promoting and maintaining mixed-use development, and encouraging pedestrian and bicycle activity. Objective 1.4 is to assure a range of affordable housing in the City.

Development objectives for the Core Area/District A of the MSSP include developing Mission Street as a continuous pedestrian-oriented street with a mix of retail and restaurant uses and re-establishing Mission Street as the historic downtown of South Pasadena. The project is consistent with these objectives by both providing commercial space for retail and restaurant uses on the ground floor fronting Mission Street, providing a public corner plaza which activates the pedestrian realm, and infusing people into the downtown with the provision of 50 residential units which are located primarily above the ground floor, with the exception of 4 units which are accessed from the ground level on Fremont Avenue.

There is no prescribed density for the Mission Street Specific Plan in the Land Use Element or on the General Plan Land Use map. The Land Use Element defers to regulatory mechanisms within the specific plan to establish base density. The project would comply with zoning ordinance requirements set forth in the Mission Street Specific Plan and the South Pasadena Municipal Code (SPMC), with the exception of those allowances permitted under the City's Municipal Code (Division 36.370 – Affordable Housing Incentives) and/or State Density Bonus Law (Government Code Section 65915), which include a density bonus, concessions and incentives, reduced parking ratios, and development standards waivers.

The Arbor Square mixed-use project proposes development of new ground floor pedestrian-oriented commercial uses, which may include a mix of retail and restaurant uses, including areas for outdoor dining as well as multifamily residential uses located above and behind commercial uses consistent with the General Plan and the MSSP. The project encourages a mixture of housing types by including 1-, 2-, and 3-bedroom apartment units as well as lofts, and voluntarily provides for 14.7% of the base units (5 total units) to be restricted as available only for households with very-low incomes. The project provides ample bicycle parking and features a pedestrian corner plaza and has been designed to accommodate outdoor dining and community interaction consistent with the goals and policies of the General Plan. With the inclusion of these features, the proposed project is consistent with the General Plan designation and policies.

- 3. The establishment, maintenance, or operation of the use would not, under the circumstances of the particular case, be detrimental to the health, safety, or general welfare of persons residing or working in the neighborhood of the proposed use.**

The proposed Arbor Square mixed-use project would not be detrimental to the health, safety, or general welfare of persons residing or working in the neighborhood. The proposed project will adequately accommodate the functions and activities proposed for the project site because it has been designed to comply with the development standards of the Mission Street Specific Plan. The commercial use proposed for the project site is designed to promote and accommodate pedestrian activity through the provision of an outdoor corner plaza which could also provide for outdoor dining at the corner of Mission Street and Fremont Avenue. Residential uses proposed for the project site will be served by on-site common area open space and individual private open space areas. Adequate access to the project site is provided by existing roadways, and no public improvements to these roadways are required for implementation of the project. Parking adequate to serve the project are provided within the ground level and subterranean garages. Access to the grade level parking garage, which is primarily intended to serve the commercial uses, is provided from Fremont Avenue and access to the subterranean garage, which is primarily intended to serve the residents on-site, is provided from Hope Street. The existing driveway from Mission Street will be removed which will help to reduce traffic impacts on Mission Street and better promote pedestrian safety and comfort. On site security systems will be in place for the proposed parking garage with signage posted indicating 24-hour assistance contact information.

- 4. The use, as described and conditionally approved, would not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the City.**

The proposed Arbor Square mixed-use project would not be detrimental or injurious to property and improvements in the neighborhood. The mixed residential and commercial nature of the proposed use is consistent with the surrounding area, which contains a mix of commercial, residential, and institutional uses, with commercial uses primarily occurring at the ground-floor level along Mission Street. All project parking will be provided in secured parking garages with on-site security systems in place. The proposed use would not be detrimental or injurious to the general welfare of the City since the project will be served by existing public services and infrastructure, and any infrastructure upgrades required to accommodate the capacity of the new development will be provided for by the developer prior to occupancy of the building.

- 5. The subject site is adequate in terms of size, shape, topography, and circumstances and has sufficient access to streets and highways which are adequate in width and pavement type to carry the quantity and quality of traffic expected to be generated by the proposed use.**

The project site consists of an existing approximately .81 acre developed flat site with no topographical constraints and is adequate in size to accommodate the proposed project. Existing access to the project site is provided from Mission Street, a General Plan designated minor arterial, Fremont Avenue, a General Plan designated minor arterial, and Hope Street, a local residential street. With the project, the driveway entrance on Mission Street will be removed and replaced with storefronts in accordance with the goals and objectives of the Mission Street Specific Plan. With

the Project, Fremont Avenue and Hope Street will continue to provide access, and both streets are adequate in width and pavement type to carry the quantity and quality of project traffic expected to be generated by the proposed use and no expansion of these streets is required to accommodate the project.

6. The design, location, operating characteristics, and size of the proposed use would be compatible with the existing and future land uses in the vicinity, in terms of aesthetics, character, scale, impacts on neighboring properties.

In terms of uses and operating characteristics, the mixed residential and commercial nature of the proposed buildings is compatible with the surrounding area, which contains a mix of commercial, residential, and institutional uses.

The existing scale and character of the surrounding neighborhood consists of one-, two-, and three-story commercial buildings along Mission Street, many of which are historic, with ground floor storefronts and dining patios facing the sidewalk. The design preference stated within the MSSP for proposed new buildings is for two- and three-story buildings.

The Project proposes a 4-story building. It should be noted that, due to the provision of the affordable housing component of the Project, the developer is entitled to a density bonus, concessions and incentives, reduced parking ratios, and development standards waivers pursuant to State density bonus law (CA Government Code Section 65915). For the proposed project, the developer is entitled to the two concessions/incentives requested, which include an increase in the permitted number of stories (from the permitted two stories to the proposed four stories) and an increase in floor area ratio (from the permitted .8 ratio to the proposed 1.86 ratio). Additionally, the developer is entitled to a development standards waiver for increased building height from the permitted 32' to 52' to the top of the building parapet (not including architectural projections- elevator tower is at 57') to allow the permitted increase in the number of stories to be feasible in accordance with State law. While larger in height and mass than most of the existing buildings surrounding the project site, care was taken with the design to step the third and fourth floors back to reduce massing and to provide visual relief. The project's architectural style incorporates varying building forms and stepped back building elevations and utilizes a combination of exterior materials including brick, smooth stucco, and extruded aluminum tongue and groove and link and lock siding. Along Mission Street, the two-story commercial storefront style façade is accentuated. The proposed façade along Mission Street would be divided into multiple storefront and pedestrian openings, creating a rhythm that is consistent with other existing buildings along Mission Street. Furthermore, several three-story buildings already exist in the area and/or immediate project vicinity, including a mixed-use building at 815 Fairview Avenue, the Mission Meridian Village (803-809 Meridian Avenue), a mixed-use building (Mission District Lofts- 812 Fremont) located directly east of the project site, and a mixed-use building at the southeast corner of Mission Street and Fremont Avenue (1401 Mission Street).

The surrounding area includes numerous historic resources. The design of the project would not alter any of the physical characteristics of nearby historic resources.

Additionally, the project would not alter the historic context of the surrounding Historic District and other commercial areas fronting Mission Street.

As such, the design, location, operating characteristics, and size of the proposed use would be compatible with the existing and future land uses in the vicinity to the greatest extent possible given the increase in building height, number of stories, and floor area ratio that the Project is entitled to under State law.

SECTION 3: DESIGN REVIEW FINDINGS

The Planning Commission finds that the proposed project is consistent with all applicable findings for approval of a Design Review pursuant to South Pasadena Municipal Code Section 36.410.040, as follows:

- 1. Is consistent with the General Plan, any adopted design guidelines and any applicable design criteria for specialized areas (e.g., designated historic or other special districts, plan developments, or specific plans);**

The subject site has a land use designation of Mission Street Specific Plan (MSSP). The Mission Street Specific Plan is also the governing zoning document for the site. The site is located within the Core Area (District A) of the MSSP.

The General Plan Land Use Element states that the MSSP was developed to address the impacts of the light rail station and to implement the community vision of Mission Street as South Pasadena's pedestrian-oriented, historic shopping district. Development objectives and guidelines include fostering activity and pedestrian usage (Objective 1.1) by encouraging higher density in proximity to transit, promoting and maintaining mixed-use development, and encouraging pedestrian and bicycle activity. Objective 1.4 is to assure a range of affordable housing in the City.

Development objectives for the Core Area/District A of the MSSP include developing Mission Street as a continuous pedestrian-oriented street with a mix of retail and restaurant uses and re-establishing Mission Street as the historic downtown of South Pasadena. The project is consistent with these objectives by both providing commercial space for retail and restaurant uses on the ground floor fronting Mission Street, providing a public corner plaza which activates the pedestrian realm, and infusing people into the downtown with the provision of 50 residential units which are located primarily above the ground floor, with the exception of 4 units which are accessed from the ground level on Fremont Avenue.

There is no prescribed density for the Mission Street Specific Plan in the Land Use Element or on the General Plan Land Use map. The Land Use Element defers to regulatory mechanisms within the specific plan to establish base density. The project would comply with zoning ordinance requirements set forth in the Mission Street Specific Plan and the South Pasadena Municipal Code (SPMC), with the exception of those allowances permitted under the City's Municipal Code (Division 36.370 – Affordable Housing Incentives) and/or State Density Bonus Law (Government Code Section 65915), which include a density bonus, concessions and incentives, reduced parking ratios, and development standards waivers.

The Arbor Square mixed-use project proposes development of new ground floor pedestrian-oriented commercial uses, which may include a mix of retail and restaurant uses, including areas for outdoor dining as well as multifamily residential uses located above and behind commercial uses consistent with the General Plan and the MSSP. The project encourages a mixture of housing types by including 1-, 2-, and 3-bedroom apartment units as well as lofts, and voluntarily provides for 14.7% of the base units (5 total units) to be restricted as available only for households with very-low incomes. The project provides ample bicycle parking and features a pedestrian corner plaza and has been designed to accommodate outdoor dining and community interaction consistent with the goals and policies of the General Plan. With the inclusion of these features, the proposed project is consistent with the General Plan designation and policies.

There is currently a mixture of one-, two-, and three-story buildings in the project vicinity. As stated above in the Conditional Use Permit findings, it should be noted that several three-story buildings already exist in the area and/or immediate project vicinity.

It should also be noted that, due to the provision of the affordable housing component of the Project, the developer is entitled to a density bonus, concessions and incentives, reduced parking ratios, and development standards waivers pursuant to State density bonus law (CA Government Code Section 65915).

The proposed design is thoughtfully arranged in a manner that capitalizes on the allowances from development standards that are permitted under State law (CA Government Code Section 65915) while still striving for compliance with the Mission Street Specific Plan Design Guidelines.

2. Will adequately accommodate the functions and activities proposed for the site, will not unreasonably interfere with the use and enjoyment of neighboring, existing, or future developments, and will not create adverse pedestrian or traffic hazards;

The design and layout of this infill development project will adequately accommodate the functions and activities proposed for the project site. The commercial component of the project site is designed to promote and accommodate pedestrian activity through the provision of a pedestrian-oriented corner plaza that can be used for an outdoor dining areas. Residential uses proposed for the project site will be served by on site common area open space and individual private open space areas. The project will not unreasonably interfere with the use and enjoyment of neighboring existing or future developments.

Adequate access to the project site is provided by existing roadways and no expansion of these roadways is required for implementation of the project. Adequate bicycle and vehicular parking for the project are provided. Existing access to the project site is provided from Mission Street, Fremont Avenue, and Hope Street. As part the project, the driveway entrance on Mission Street will be removed and replaced with storefronts in accordance with the goals and objectives of the Mission Street Specific Plan. This will also contribute to an improved pedestrian experience on Mission Street. With the

project, Fremont Avenue and Hope Street will continue to provide access, and both streets are adequate in width and pavement type to carry the quantity and quality of project traffic expected to be generated by the proposed use. No expansion of these streets is required to accommodate the project. Therefore, the project will not create any adverse pedestrian or traffic hazards.

3. Is compatible with the existing character of the surrounding neighborhood and that all reasonable design efforts have been made to maintain the attractive, harmonious, and orderly development contemplated by this section and the General Plan;

Due to the project containing an affordable housing component, and as described in the Density Bonus Review and Affordable Housing Review findings, and in the first Design Review finding above, the project is entitled to development standards variations which inherently allow for increased density, height, mass, and scale. Nonetheless, care was taken with the design to achieve compliance with the design guidelines to the greatest extent possible. While undoubtedly larger in height and mass than the existing buildings surrounding the project site, the applicant was responsive to comments and requests by staff which resulted in stepping the third and fourth floors back to reduce massing and to provide visual relief. Open space areas were thoughtfully arranged to make utility of the site for the future residents while also providing buffers from adjacent development. The project's architectural style incorporates varying building forms and stepped back building elevations and utilizes a combination of quality exterior materials including brick, smooth stucco, and extruded aluminum tongue and groove and link and lock siding. Along Mission Street, the two-story commercial storefront style façade is accentuated. The proposed façade along Mission Street would be divided into multiple storefront and pedestrian openings, creating a rhythm that is consistent with other existing buildings along Mission Street. The general site design and layout, as well as the architectural style, is compliant with the MSSP. Buildings front both Mission Street and Fremont Avenue and parking is located underground and behind the buildings. The architecture contains elements that lend itself to the commercial vernacular style, with the variations in wall planes due to the step back of the third and fourth floors and the use of architectural detailing and appropriate building materials, including brick and glass. These elements contribute to the continuation of the storefront style along Mission Street and wrap along the corner plaza then continue up Fremont Avenue.

4. Would provide a desirable environment for its occupants and neighbors, and is aesthetically of good composition, colors, materials, and texture, that would remain aesthetically appealing with a reasonable level of maintenance and upkeep.

The project provides a desirable environment for its occupants and neighbors. The project includes ground floor retail commercial uses, including areas for outdoor dining, serving the project's occupants and neighbors. Residential uses are served by on site common area open space in the form of courtyards and a roof deck, with a dog run and on-site fitness center provided as well. Many of the units also are provided with individual private open space terraces.

The project is aesthetically of good composition with a combination of two-, three-, and four-story structures with building massing broken in an aesthetically appealing manner through the use of varied building forms, a stepped back third story and fourth facing streets, uniform design of windows, and varied exterior building materials. Building color and texture are provided through the use of brick, glass, smooth stucco, and horizontal and vertical extruded aluminum siding. The proposed exterior materials are long lasting and have reasonable upkeep and maintenance requirements.

SECTION 4: DENSITY BONUS FINDINGS

Pursuant to 36.370.020- Eligibility for Density Bonus, if requested by the applicant, the City shall grant one Density Bonus to a residential project of five or more dwelling units in accordance with this Division if the project is designed and constructed so that the development meets at least one of four possible criteria.

The Planning Commission finds that the development meets the criteria of SPMC 36.370.020(A)2: at least 5 percent of the total number of proposed units are for very low-income households, as defined in Health and Safety Code Section 50105. The project is eligible for 34 base units and, with the provision of the 5 very-low-income restricted units as proposed by the applicant, is also eligible for the requested density bonus of 45% (pursuant to CA Government Code Section 65915) for a total of 50 units. 10% of the total number of the proposed units (5 of the 50 units proposed) are restricted for very-low-income households.

SECTION 5: AFFORDABLE HOUSING REVIEW FINDINGS

Pursuant to 36.370.030- Incentives and/or Concessions, if requested by the applicant, a project which qualifies for a Density Bonus in accordance with the criteria set forth in Section 36.370.020(A) shall also be entitled to the granting incentives or concessions as identified by State law (Government Code Section 65915(b)).

The Planning Commission finds that the project is eligible for the two concessions/incentives requested by the applicant (increase in floor area ratio (FAR) from the allowed .8 to 1.86 and increase in number of stories from two to four) as the project includes at least 10 percent of the units for very low-income households. 14.7% of the base unit count of 34 units are being proposed to be restricted for very-low-income households.

The Planning Commission also finds that the proposed project is consistent with all applicable findings for approval of the Affordable Housing Review pursuant to South Pasadena Municipal Code (SPMC) Section 36.370.090, as follows:

Following proper noticing and a public hearing pursuant to Division 36.630 (Public Hearings), the Planning Commission, after finding that the proposed project complies with applicable sections of this Division and State law, shall grant the density bonus(es), incentives, and/or concessions requested, provided the following findings for each applicable request cannot be made:

1. Required findings for denial of incentives and/or concessions. Any requested incentives or concessions for a project shall be granted if it is found to be in compliance with all applicable sections of this Division and State law unless any

one of the following written findings for denial based on substantial evidence can be made consistent with Government Code Section 65915(d):

- a. **The concession or incentive is not required in order to provide for affordable housing costs, as defined in Health and Safety Code Section 50052.5, or for rents for the targeted units to be set as specified in Government Code Section 65915(c).**

The concessions/incentives are required to provide for affordable housing costs. The City commissioned a third-party review to analyze whether the specific concessions/incentives being requested by the applicant, in addition to the density bonus, were required to fulfill Section 65915(d)1 criteria. Keyser Marston Associates (KMA) provided a detailed financial analysis that considered both a zoning compliant project and the proposed project. Their analysis found that the specific concessions/incentives being requested by the applicant are anticipated to result in identifiable and actual cost reductions as required by Section 65915(d)1 and that there is insufficient support for the City to reject the specific concessions/incentives being requested by the Applicant under the financial evidence requirements imposed by Section 65915(d)(1)(A).

- b. **The concession or incentive would have a specific adverse impact, as defined in Government Code Section 65589.5(d)(2), 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.**

The concessions/incentives being granted have no impact on public health and safety, the physical environment, or on any real property that is listed in the California Register of Historical Resources.

- c. **The concession or incentive would be contrary to State or Federal law.**

The concessions/incentives are not contrary to State or Federal law.

Furthermore, pursuant to 36.370.010, the intent of the Affordable Housing Review is to implement the requirements of state law, including Government Code Section 65915. Government Code Section 65915(e) prohibits a city or county from applying any development standard that will have the effect of physically precluding the construction of an eligible development project. Government Code Section 65915(p)2(A) provides that, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of parking for persons with a disability and guests, that exceeds 0.5 spaces per unit.

The Planning Commission finds that the project is eligible for a reduced parking ratio for the residential portion of the project (1/2 space per unit). The Planning Commission also finds that the requested waivers from development standards which are reflected in the

staff report as well as Attachment 2 to the staff report and summarized below are required in order to avoid physically precluding the construction of the proposed development project.

1. Building height- MSSP 5.0 Table 7, Section 8.1.2 and Ordinance No. 2102
2. Open space ratio- MSSP 7.3.5B
3. Courtyard requirements- MSSP 7.4.4
4. Number of units facing courtyard- MSSP 7.4.4.2
5. Minimum courtyard sizes- MSSP 8.6.3.1
6. Courtyard enclosure requirement- MSSP 8.6.3.3
7. Inset entrance of commercial- MSSP 7.3.2.B.5
8. Courtyard visible from the street- MSSP 8.6.3.4 & MSSP 8.6.3.5
9. 95% frontage- MSSP 7.3.2.A.3
10. Commercial parking- outdoor seating- MSSP 6.2.1.C

SECTION 6: RECORD OF PROCEEDING

The documents and other materials that constitute the record of the proceedings upon which the Planning Commission's decision is based, which include, but are not limited to, the environmental documents, staff reports, as well as all materials that support the staff reports for the proposed project, and are located in the Community Development Department of the City of South Pasadena at 1414 Mission Street, South Pasadena, CA 91030. The custodian of these documents is the City Clerk of the City of South Pasadena.

SECTION 7. DETERMINATION

Based upon the findings outlined in Sections 1 through 5 above, the Planning Commission of the City of South Pasadena hereby takes the following actions:

- A. Finds the project to be categorically exempt from CEQA pursuant to Section 15332 of the CEQA Guidelines.
- B. Approves the following applications, subject to conditions of approval attached hereto as Exhibit "A":
 1. Conditional Use Permit for the mixed-use development including outdoor dining in a designated corner plaza; and
 2. Design Review Permit for the proposed mixed-use development; and
 3. Density Bonus for a density bonus of 45%; and
 4. Affordable Housing Review for two concessions/incentives, 1) for an increase in floor area ratio from .8 to 1.86 and 2) for an increase in the permitted number of stories from two stories to four stories, and for the granting of a reduced parking ratio for the residential portion of the project to 1/2 space per unit, and for the ten (10) requested development standards waivers; and
 5. Tree Removal Permit for the removal of 11 trees.

SECTION 8: APPEALS

Any interested person may appeal this decision or any portion of this decision to the City Council. Pursuant to the South Pasadena Municipal Code, any such appeal must be filed with the City, in writing, and with appropriate appeal fee, no later than fifteen (15) days, following the date of the Planning Commission's final action.

SECTION 9: CERTIFICATION OF THE RESOLUTION

The Secretary shall certify that the foregoing Resolution was adopted by the Planning Commission of the City of South Pasadena at a duly noticed regular meeting held on the 18th day of April, 2022.

PASSED, APPROVED, AND ADOPTED this 18th day of April, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Lesak, Chair

ATTEST:

Laura Dahl, Secretary to the Planning Commission

APPROVED AS TO FORM:

Andrew L. Jared, City Attorney

EXHIBIT “A”
CONDITIONS OF APPROVAL
PROJECT NO. 2392-CUP/DRX/DBR/AHR/TRP
Mixed-Use Development at 815 Fremont Avenue

PLANNING DIVISION

General Conditions

- PL-1. The following approvals are granted for the land and land use as described in the application and any attachments thereto, as shown on the development plans submitted to and approved by the Planning Commission on April 18, 2022:
- a. **Conditional Use Permit** for the development of a mixed-use project consisting of 50 residential apartment units and approximately 3,769 square feet of commercial retail space for restaurant and retail uses in the Mission Street Specific Plan (MSSP) zoning district with one level of at-grade parking and one level of underground parking; and
 - b. **Design Review Permit** for the proposed mixed-use development described above; and
 - c. **Density Bonus Review** for the residential portion of the project which includes a 45% density bonus (34 base units plus 16 bonus units) pursuant to Government Code Section 65915 with 5 units reserved for very-low-income households (14.7% of the base units). The base units allowed for the site are 34 without density bonus, which is based on a net residential square footage of 25,319.2 square feet divided by an average unit size of 763 square feet; and
 - d. **Affordable Housing Review** for two (2) incentives/concessions for 1) number of stories (MSSP 5.0, Table 7) and 2) FAR (MSSP 5.0, Table 7); and for the allowance of ten (10) development standards waivers:
 - 1. Building height- MSSP 5.0 Table 7, Section 8.1.2 and Ordinance No. 2102
 - 2. Open space ratio- MSSP 7.3.5B
 - 3. Courtyard requirements- MSSP 7.4.4
 - 4. Number of units facing courtyard- MSSP 7.4.4.2
 - 5. Minimum courtyard sizes- MSSP 8.6.3.1
 - 6. Courtyard enclosure requirement- MSSP 8.6.3.3
 - 7. Inset entrance of commercial- MSSP 7.3.2.B.5
 - 8. Courtyard visible from the street- MSSP 8.6.3.4 & MSSP 8.6.3.5
 - 9. 95% frontage- MSSP 7.3.2.A.3
 - 10. Commercial parking- outdoor seating- MSSP 6.2.1.CAnd to use reduced parking standards as allowed by State density bonus law; and
 - e. **Tree Removal Permit** for the removal of 11 trees.
- PL-2. This approval and all rights hereunder shall terminate within twelve (12) months of the

effective date of their approval by the Planning Commission unless otherwise conditioned and/or unless action is taken to secure Building Permits and maintain active Building Permits with the Building Division beginning with the submittal of the plans for Plan Check review. Failure to comply with this condition may result in revocation of these approvals as provided in the South Pasadena Municipal Code.

- PL-3. Approval by the Planning Commission does not constitute a building permit or authorization to begin any construction. All appropriate permits issued by the South Pasadena Public Works Department and Building Division must be obtained prior to demolition, grading, construction, enlargement, relocation, or conversion of any building or structure on any of the project site.
- PL-4. All other requirements of any law, ordinance, or regulation of the State of California, City of South Pasadena, and any other responsible government entity shall be complied with.
- PL-5. Compliance with and execution of all conditions listed herein shall be necessary prior to issuance of a certificate of occupancy.
- PL-6. The applicant and each successor in interest to the property, which is the subject of this project approval, shall defend, indemnify and hold harmless the City of South Pasadena and its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul any approval of the City, City Council or City Planning Commission concerning this approval.
- PL-7. The applicant shall be responsible for all costs incurred by the City for the use of professional services or consultants in the review and investigation by Planning and Public Works, which include landscape plans, construction management plan, traffic control plans, and street and off-site improvement plans. The initial Building Construction plan check fee will cover the initial plan check and one recheck only. Additional review required beyond the first recheck shall be paid for on an hourly basis in accordance with the current fee schedule. The applicant shall deposit monies into an approved project account from which the City shall draw funds to pay for said professional services.
- PL-8. The applicant shall pay all applicable City development impact fees, and all other public agency fees including plan review and permit fees.
- PL-9. Exclusive of permitted window signage, windows for the commercial restaurant and retail spaces shall be clear glass and remain unobscured at all times.
- PL-10. The developer shall provide at least the minimum number of parking spaces required for the commercial uses based on the tenant use per the Mission Street Specific Plan and City of South Pasadena Municipal Code, as applicable.
- PL-11. This approval does not cover the sale of alcohol. Any required use permits for off-site or on-site consumption, including service to outdoor dining areas, shall require a separate approval as may be required pursuant to the South Pasadena Municipal

Code and Mission Street Specific Plan.

- PL-12. Prior to operation of any outdoor dining area, the applicant shall provide the following information to the Community Development Director for review and approval:
- a. A detailed site plan and elevations showing the boundary, pedestrian access, and railing design for the outdoor dining area for each tenant.
 - b. Outdoor dining furniture.
 - c. A statement of operation that includes, but not limited to, hours of operation and any proposed amplified sound in the outdoor dining area.

Affordable Housing Covenant

- PL-13. The applicant shall record an Affordable Housing Covenant reserving 5 units for very-low-income households. The Covenant shall contain the standard requirements of South Pasadena Municipal Code Section 36.370.100 (Affordable Housing Covenant), Government Code section 65915, and the following:
- a. The total number of units approved for the housing development, including the number of designated affordable dwelling units.
 - b. A description of the household income group to be accommodated by the housing development, and the standards and methodology for determining the corresponding affordable rent or affordable sales price and housing cost consistent with HUD Guidelines.
 - c. The location, unit sizes (square feet), and number of bedrooms of the designated dwelling units.
 - d. Duration of the use restrictions for designated dwelling units, in compliance with SPMC Section 36.370.090 and Government Code Section 65915, subdivision (c).
 - e. The marketing plan for the affordable units.
 - f. A schedule for completion and occupancy of the designated dwelling units.
 - g. A description of the additional incentive(s) being provided by the City.
 - h. A description of the remedies for breach of the affordable housing covenant by the owners, developers, and/or successor(s)-in-interest of the project.

Air Quality

- PL-14. Minimization of Disturbance. Contractors shall minimize the area disturbed by clearing, grading, earth moving, or excavation operations to prevent excessive amounts of dust.
- PL-15. Dust Control. Contractors shall treat all graded and excavated material, exposed soil areas, and active portions of the construction site, including unpaved on-site roadways to minimize fugitive dust. Treatment shall include, but not necessarily be limited to, periodic watering, application of environmentally safe soil stabilization materials, and/or roll compaction as appropriate. Watering shall be done as often as necessary, and at least twice daily, preferably in the late morning and after work is done for the day. A sign shall be posted identifying the name and phone number

of the person in charge of the construction site and the City's Community Enhancement and Code Enforcement Department for the public to submit complaints about dust.

- PL-16. Soil Stabilization. Contractors shall monitor all graded and/or excavated inactive areas of the construction site at least weekly for dust stabilization. Soil stabilization methods, such as water and roll compaction, and environmentally safe dust control materials, shall be applied to portions of the construction site that are inactive for more than four days. If no further grading or excavation operations are planned for the area, the area shall be seeded and watered until landscape growth is evident, or periodically treated with environmentally safe dust suppressants, to prevent excessive fugitive dust.
- PL-17. No Clearing, Grading, Earth Moving or Excavation During High Winds. Contractors shall stop all clearing, grading, earth moving, and excavation operations during periods when winds of 20 miles per hour or greater, as measured continuously over a one-hour period, are present.
- PL-18. Street Sweeping. Construction contractors shall sweep all on-site driveways and adjacent streets and roads at least once per day, preferably at the end of the day, if visible soil material is carried over to adjacent streets and roads.

Tree Removals

- PL-19. If project construction is initiated and vegetation removal or grading activities are to take place during the nesting season (January 15 - September 15), a nesting survey shall be completed by a qualified biologist within 3 days prior to the commencement of any work on the site (clearing, grubbing, demolition, etc) to determine whether nesting birds are present.
- PL-20. If active nests are observed on or near the Project site, a no-work buffer must be established for each nest and/or biological monitoring may allow construction activities to resume until after the young have left the nest, as determined appropriate by the qualified biologist.

Notes on Construction Plans

The following conditions shall be noted on the construction plans and the contractor shall be responsible to implement and monitor compliance with these conditions:

- PL-21. The construction site and the surrounding area, including sidewalks, parkways, gutters, and streets, shall be kept free at all times of all loose materials resembling trash and debris in excess of that material used for immediate construction purposes. Such excess may include, but is not limited to: the accumulation of debris, garbage, lumber, scrap metal, concrete, asphalt, piles of earth, salvage materials, abandoned or discarded furniture, appliances or other household fixtures. Such debris shall be

removed immediately from the street to prevent road hazards or public health related issues.

- PL-22. Construction vehicles, including construction employees' vehicles, shall not be parked or stored on Hope Street.
- PL-23. The hours of all construction activities shall be limited to the following: 8:00 am to 7:00 pm Monday through Friday, 9:00 am to 7:00 pm Saturdays, and 10:00 am to 6:00 pm Sundays and city recognized holidays.
- PL-24. During construction, the clearing, grading, earth moving, excavation operations, or transportation of cut or fill materials that cause fugitive dust emissions shall be controlled by regular water or other dust preventive measures using the following procedures:
- a. The area disturbed by clearing, grading, earth moving, or excavation operations shall be minimized to the maximum extent feasible to prevent fugitive dust; and
 - b. All material excavated or graded shall be sufficiently watered to prevent dust from leaving the construction area and to create a "crust" after each day's activities ceases. Watering shall occur at least twice daily with complete coverage, preferable in the late morning and after work is done for the day;
 - c. All material transported on-site or off-site shall be transported in accordance with AQMD standards and the regional AQMP;
 - d. Construction contractors shall monitor all graded and/or excavated inactive areas of the construction site at least weekly for dust stabilization. Soil stabilization methods, such as water and roll compaction, and environmentally safe dust control materials, shall be applied to portions of the construction site that are inactive for over four days. If no further grading or excavation operations are planned for the area, the area shall be seeded and watered until landscape growth is evident, or periodically treated with environmentally safe dust suppressants, to prevent excessive fugitive dust;
 - e. Construction contractors shall stop all clearing, grading, earth moving, and excavation operations during periods of high winds (20 miles per hour or greater, as measured continuously over a one-hour period);
 - f. All areas of vehicle movement shall be water appropriately to prevent dust from leaving the construction site;
 - g. Soil stockpiles for more than two days shall be covered, kept moist, or treated with soil binders to prevent dust generation;
 - h. Gravel pads shall be installed at all access points to prevent tracking of mud onto public roads; and
 - i. Visible dust beyond the property line emanating from the project shall be

prevented to the maximum extent feasible.

- PL-25. The applicant and the applicant's construction manager shall participate in a pre-construction meeting with the City of South Pasadena Planning and Building Divisions, and Public Works Department, to ensure all parties involved understand and implement appropriate construction measures and practices as required by the City, are aware of when construction will occur, what to expect, and to identify potential conflicts to eliminate otherwise unanticipated problems prior to the start of grading.
- PL-26. Alternative pedestrian access shall be provided on and through the project site if the existing sidewalk is not available for public use during construction. The alternative pedestrian access shall be approved the City prior to closing the public sidewalk.
- PL-27. The Soils Management Plan (SMP) approved by the Building Division shall be followed during excavation and grading.

Prior to Issuance of Grading Permit

- PL-28. Community Development and Public Works Departments. Prior to permit issuance, a construction management plan shall be provided to the Community Development and Public Works Departments. The construction management plan shall include, but not be limited to:
 - a. A proposed haul route and location of a proposed off-site construction staging area where project construction workers and/or subcontractors will park and equipment will be stored. Equipment and construction staging area shall be located away from adjacent residential uses. Any construction activity that may require closing public roadways shall be identified and mitigation identified as part of the staging plan. The applicant shall obtain input from Public Works to identify haul route and staging area. The applicant shall provide notification of at least 48 hours prior to any road closure to all affected property owners.
 - b. Construction haul routes shall be designed to avoid noise sensitive uses (e.g., residences, convalescent homes, etc.) to the extent feasible.
 - c. A plan for dust control techniques to be implemented during project construction which shall include, but not be limited to, plans for daily watering of the construction site, limitations on construction hours, and adherence to standard construction practices such as watering of inactive and perimeter areas.
 - d. A traffic control plan for the duration of the construction prepared by a licensed civil engineer for approval by the City Engineer. The applicant shall notify businesses, residents impacted by any parking restrictions, road closure, and any off-site staging areas during construction.
 - e. A list of construction equipment, fixed or mobile, showing that all equipment will be equipped with properly operating and maintained mufflers and other State-required noise attenuation devices.

- f. Stationary construction equipment shall be placed such that emitted noise is directed away from sensitive noise receivers.
- g. At least three 24" x 36" signs, legible at a distance of 50 feet, shall be posted at the project site (one sign per street frontage) and shall contain the following information:
 - i. Indicate the dates and duration of construction activities.
 - ii. A construction manager (name and telephone number) responsible for maintaining the public right-of-way and project site during all stages of construction until the project is completed.
 - iii. A 24-hour emergency contact person (name and a telephone number) where residents and affected public stakeholders can inquire about the construction process and register complaints. This person shall also be responsible for responding to any complaints about construction noise or activities associated with this project, and shall notify the City to determine the cause and implement reasonable measures to the complaint, as deemed acceptable by the City. All complaints shall be addressed within 24 hours and the person registered the complaint shall be notified of the resolution.

- PL-29. Prior to issuance of a grading permit, the City shall be provided with documentation certifying that property owners and occupants located within 200 feet of the project boundary were sent a notice, at least 15 days prior to commencement of construction of each phase, regarding the construction schedule of the proposed project.
- PL-30. Prior to issuance of a grading permit, the applicant shall demonstrate to the satisfaction of the Director of Public Works that construction noise reduction methods shall be used where feasible. These reduction methods include shutting off idling equipment, maximizing the distance between construction equipment staging areas and occupied residential areas, and the use of electric air compressors and similar power tools.
- PL-31. Prior to issuance of a grading permit, the applicant shall submit a Soils Management Plan ("SMP") prepared by a licensed geotechnical firm to the Building Division for review and approval. The purpose of this SMP shall be to establish the framework under which impacted soils (including containing a contaminant) at the site discovered during excavation will be investigated and the protocols for how they will be managed. The procedures described in the SMP should only be applied where impacted soils are identified, and non-impacted soils should continue to be managed outside of the framework of the SMP, pursuant to the excavation contractor's normal course of work under its grading permit.
- PL-32. Prior to issuance of a grading permit, the applicant shall provide photographs to Community Development and Public Works Departments illustrating that proper

construction fencing is installed and signs describing construction and noise disturbance coordinator contact information are posted at the construction site.

Prior to issuance of Building Permits

- PL-33. Prior to issuance of a building permit, the applicant shall submit final landscape and irrigation plans showing compliance with state law and the City's Water Efficient Landscape Ordinance (SPMC Section 35.50 et seq.), for approval by the Community Development Department. The final landscape plans shall provide (but not limited to) the following:
- a. Screening of all above ground equipment from public view.
 - b. Enlarge the existing tree wells on Fremont Avenue and Mission Street to 25 square feet and install tree grates. Tree grates shall be of either metal or cast-iron construction and approved by the City prior to installation.
 - c. Incorporate the Tree Removal Permit conditions listed below.
- PL-34. Prior to issuance of a building permit, the applicant shall submit an outdoor lighting plan showing adequate lighting for security purposes and in compliance with Section 36.300.90 of the Zoning Code for review and approval by the Community Development Department. The external lighting shall be stationary, directed away from adjacent properties and public rights of way, and of an intensity compatible with the surrounding neighborhood.
- PL-35. The construction plans shall show that the parking garage provides adequate pedestrian exit routes during an emergency.
- PL-36. The applicant shall submit a Master Sign Plan for review and approval pursuant to Division 36.320 of the Zoning Code. The Master Sign Plan shall incorporate directional signage to access the parking garage and direct the public to public (commercial) parking spaces.
- PL-37. Prior to issuance of a building permit, the applicant shall receive approval from the Public Art Commission for either the installation of public art at the project site or payment of the required fee pursuant to South Pasadena Municipal Code Division 36.395. A copy of the approval shall be submitted with plan check plans.

Prior to Final Inspection

- PL-38. Prior to Final Inspection, the applicant shall install all landscaping and irrigation per the approved final landscape plans pursuant to the City's Water Efficient Landscape Ordinance (SPMC Section 35.50). The applicant shall provide documentations as required under SPMC Section 35.50, which shall include, but not limited to the following:

- a. A Certification of Completion certifying that landscape and irrigation have been installed per the approved final landscape plan and complies with the City Water Efficient Landscape Ordinance.
- b. A Landscape Irrigation Audit Report from a certified landscape irrigation auditor shall be submitted to the City. The landscape irrigation audit shall not be conducted by the person who designed the landscape or installed the landscape irrigation.

PL-39. The applicant shall provide photographs of the following:

- a. The locations of all on-site security system in the parking garage with signage posted indicating 24-hour assistance contact information.

PL-40. Prior to Final Inspection, the applicant shall record a covenant or other instrument acceptable to the City that runs with the land specifying the following:

- a. All common open space areas, both residential and commercial, including all courts, paseos, pedestrian access, all private water, drainage, and sewer, facilities; storm water treatment devices, landscaping within designated landscape areas (including irrigation system), and community mailboxes, etc. shall be maintained in perpetuity by a designated entity.
- b. The parking garage door and all signage shall be maintained and any modifications to the parking garage door and signage shall be subject to review and approval by the City.
- c. The public and private areas of the parking garage (including paving and striping), electric vehicle charging mechanisms, gates, all signage, and lighting shall be maintained by appropriate entities in perpetuity.
- d. Ventilation mechanisms, fire protection, security systems, exterior lightings, and building facades shall be maintained by appropriate entities in perpetuity.
- e. Maintenance of the windows for the commercial uses to be unobscured at all times, with the exception of permitted window signs as per the City's sign code and the adopted sign program.
- f. All bicycle parking spaces for residential and non-residential uses within the project site and on the public right-of-way shall be maintained in perpetuity by a designated entity.

PL-41. Prior to Final Inspection, a night-time site walk shall be conducted with Planning staff to approve the level of outdoor lighting to ensure no direct light or excess glare onto street, neighborhood, and adjacent neighbors will occur. Lights shall be adjusted if needed and re-checked by Planning staff to verify compliance.

PL-42. Prior to final inspection, a security plan for the parking garage shall be reviewed and approved by the Community Development and Police Departments.

PUBLIC WORKS DEPARTMENT

General Requirements

- PW-1. The applicant shall obtain City approval for any modifications or revisions to the approved project. Deviations not identified on the plans may not be approved by the City, potentially resulting in the need for the project to be redesigned.

Fees

- PW-2. The applicant shall pay all applicable City and Los Angeles County fees, including Public Works Department plan review fee of \$922 for two (2) reviews and an additional fee of \$153 for each additional review and permit fees per the current adopted Master Fee Schedule which can be found on the City's website. The applicant shall provide receipts of all applicable fees paid prior to submitting plans for review.
- PW-3. The applicant shall be responsible for all costs incurred by the City and the Public Works Department for the use of professional services or consultants in the review, investigation, and/or plan check of the public improvement plans. The applicant shall deposit monies into an approved project account from which the City shall draw funds to pay for said professional services.

Grading

- PW-4. Photographs and video recordings of Fremont Avenue, Mission Street, and Hope Street shall be made by the applicant before the start of construction and after construction for assessing the damage caused to the street by construction related traffic. The applicant will be responsible to restore the road to its original condition before the start of construction. Photos and video recordings shall be submitted to the City before the start of the project and within one month of completion of the project.
- PW-5. The applicant shall submit an Erosion Control Plan to the City for review and approval prior to the start of any grading activities.

Utilities

- PW-6. Provide a 24-hour emergency contact number for the applicant and contact information of all utility agencies involved/impacted/potentially impacted by this project on the title sheet of the plans.
- PW-7. Prior to issuance of a building permit, the applicant shall perform a video inspection of the existing sewer lateral for damage and obstructions and conduct any necessary repairs. Provide a copy of the inspection video of the cleared pipe for review.
- PW-8. The applicant shall pay all applicable City sewer and/or water capacity charges per SPMC Section 16B.3.

- PW-9. Provide a copy of a will-serve letter and receipt for the sewer connection fee from the Los Angeles County Sanitation District (LACSD). A copy of the receipt for any fees to be paid must be submitted before building permit issuance.
- PW-10. Show the location of all existing utilities on adjacent street(s), as well as location and size of all existing or proposed services serving the property. Show all utility points of connection (POC).
- PW-11. Show the location and area of trench sections for any proposed sewer and water lines connection within the public right-of-way. Provide a trench restoration detail per City standards if any new utility connections are proposed.
- PW-12. During the plan check process, and prior to building permit issuance, applicant shall provide a sewer study. Provide a report showing the proposed sewer outlet on adjacent streets has adequate capacity for the proposed sewage flow from the property. The developer shall be responsible for all sewer improvements to provide adequate capacity for the proposed sewage flow.
- PW-13. During the plan check process, and prior to building permit issuance, the applicant shall contact the City of South Pasadena Water Division to verify the existing water meter connection is adequate for the proposed structure/fire sprinkler system. Coordinate the size, location, and associated fee for a new water meter connection, as applicable. Please contact the Water Operations Manager at (626) 460-6393 for additional information.
- PW-14. The developer shall be responsible for any and all improvements and costs required to upgrade, modify, remove, or relocate water service facilities in order to provide adequate improvements to meet the required water demand for both normal and fire flow conditions.
- PW-15. Provide clearance letter from utility companies for any proposed relocation of utility lines that encroach on the properties prior to obtaining building permits for the project.
- PW-16. Improvement plans for underground utilities (i.e. water, sewer, electrical, telecommunications, etc.) to be placed in the public right-of-way or easement that will be owned and maintained by other entities shall be reviewed by the City prior to Utility Agency approval. The City shall have a place on the title sheet to accept the plans with a statement: "The City's acceptance is limited to the placement of utilities relative to public infrastructure clearances, uses, and future plans within the right-of-way.
- PW-17. If applicable, the applicant shall install a grease interceptor, apply for a FOG (fats, oils, and grease) wastewater discharge permit, and pay all applicable fees to the Public Works Department prior to commencing discharge of wastewater to the sewer system.

Street Improvements

- PW-18. Show the existing grade, location, and dimensions of all existing and proposed conditions within public right-of-way including, but not limited to: curb and gutter, sidewalk, driveway, traffic striping, signage, utilities, storm drain facilities, trees, and other features.
- PW-19. The applicant shall replace all broken, damaged, or out-of-grade curb and gutter, sidewalk, and driveway and repaint all curb markings fronting the property on Mission Street, Fremont Avenue and Hope Street to the satisfaction of the City Engineer. In addition, existing sidewalk and driveway approaches that are below current city standards shall be replaced regardless of when or how such condition originally occurred per SPMC Section 31.54. All improvements within the public right-of-way shall conform to the current editions of the Standard Specifications for Public Works Construction (SSPWC) and Standard Plans for Public Works Construction (SPPWC).
- PW-20. All flood control plans to be reviewed by the City or the Los Angeles County Flood Control District shall be submitted through the City of South Pasadena, unless otherwise directed by the City Engineer. For projects requiring LACFCD review, the developer shall pay the appropriate fees to LACFCD.
- PW-21. The applicant shall grind and repave the existing asphalt street fronting the property from the face of curb to the centerline of the street to a minimum depth of 1.5". Asphalt shall be C2 PG 64-10 and shall conform to the current edition of the Standard Specifications for Public Works Construction (SSPWC). Any pre-existing pavement markings and traffic striping shall be restored in accordance to the latest editions of the California Manual on Uniform Traffic Control Devices (CA MUTCD), Caltrans standards, and to the satisfaction of the City Engineer. The applicant shall verify the actual limits of paving with the Public Works Department depending on the condition of the existing pavement adjacent to the property. All manholes and/or utility covers shall be adjusted within the limits of paving shall be adjusted to grade after paving has been completed.
- PW-22. The applicant shall landscape and improve the parkways fronting the property per SPMC Section 31.48. The applicant shall submit a parkway landscape plan for review and the landscape design shall conform to the Model Water Efficient Landscape Ordinance (MWELo) as stipulated in SPMC Chapter 35, Article III.
- PW-23. Roadway lighting on Mission Street, Fremont Avenue and Hope Street shall be evaluated by the applicant's engineer for adequacy in accordance with current Illuminating Engineering Society (IES) standards. A copy of the evaluation report shall be submitted to the Public Works Department for review and approval. If the evaluation report identifies additional lighting is required, the applicant shall install new lighting along the frontage of the property, upgrade any existing street lighting to LED, and comply with IES standards. If existing street lights are to be relocated, the applicant shall submit a street lighting plan per City standards.

- PW-24. Prior to the issuance of building permits, the developer shall be required to submit a street improvement plan to the Public Works department for all improvements in the public right-of-way which shall include, but are not limited to, the following:
- a. Street improvements, including signage and striping for on-street parking and loading spaces
 - i. Loading space shall be provided to the satisfaction of the City Engineer in accordance with Section 6.3.2 of the Mission Street Specific Plan. Loading shall be provided either within the parking garage or on Mission Street, in accordance with the street improvement plan, and at the discretion of the City Engineer. Loading and unloading shall not be permitted on Fremont Avenue or Hope Street.
 - b. Sidewalk improvements and furniture
 - c. Public bicycle racks in accordance with the City's Bicycle Master Plan
- PW-25. The street improvement plan shall be approved by the Public Works Department and any required deposits or bonds shall be posted prior to the issuance of grading permits.

Trees

- PW-26. No trees shall be removed from the site until a Tree Removal Permit is issued.
- PW-27. Provide an arborist report and site plan of trees proposed for removal. Submit a design narrative with the arborist report explaining why trees are proposed for removal and what alternative options, if any, were considered to preserve the existing trees.
- PW-28. Show all existing and proposed trees, including size and species, and indicate their disposition. If any trees (12" in diameter or greater and/or native trees) are to be removed, apply for a tree removal permit with the Public Works Department per City Ordinance No. 2328 amending Section 34.10 of SPMC. See SPMC Section 34.12 for the required information and process for the trees that are proposed to be removed and/or impacted during construction. Replacement trees shall be planted per SPMC Section 34.12-5. If existing trees are to remain on site, the applicant shall note on the plans methods of protecting existing trees during construction.
- PW-29. Tree removals associated with development shall only be conditionally approved subject to the applicant receiving their development grading permit, paying all fees associated with the tree removal as established by resolution of the city council, and paying a deposit in the amount of \$10,720 for the 32 replacement trees. After the planning review authority's approval of the development application, and upon issuance of a grading permit, and payment of all required fees, the applicant shall be issued a tree removal permit.

- PW-30. If the applicant has complied with the approved tree replacement plan to the City's satisfaction, the City shall reimburse the applicant's replacement tree deposit. Should the applicant fail to plant any replacement trees per the approved replacement tree plan, the city shall retain the amount of the replacement tree deposit necessary to cover the cost to plant any required replacement trees in alternative locations within the city (public right-of-way, park, etc.), as permitted by SPMC chapter 34.
- PW-31. The proposed building structure shall not be constructed within critical root zone area of any trees. For native and protected species, use the tree trunk's diameter measured at breast height (DBH) (X5) as the minimum critical root mass. For non-native and protected species, use the tree's DBH (X3) as the minimum critical root mass.

Encroachment/Traffic Control

- PW-32. The applicant shall obtain an encroachment permit from the Public Works Department for any work proposed within the public right-of-way.
- PW-33. The applicant shall provide a construction schedule for each stage of any major activities (i.e. demolition, grading, material delivery, etc.) and the timing of special access if necessary, as it relates to site staging, traffic, and access. If there are any changes to the construction schedule, the applicant shall submit a revised schedule to the Public Works Department.
- PW-34. The applicant shall provide a haul route map, on-site staging plan, and indicate a contractor parking location to the Public Works Department for review and approval prior to issuance of permits. All vehicles including workers' vehicles shall not be parked near the construction site. Provide a shuttle service if necessary.
- PW-35. Any construction activity that may require roadway closures of more than 30 minutes in duration will require a traffic control plan prepared by a CA licensed civil or traffic engineer or a C-31 licensed contractor to be submitted for review. At least 48 hours of advance notice shall be given to residents for street and lane closures. Safe pedestrian access, including ADA and bicycle, must be maintained at all times. A minimum of two Portable Changeable Message Signs (PCMS) are required to be placed in advance of the project site. All street closures will require an encroachment permit from the Public Works Department.
- PW-36. Street closures are only allowed between 9:00 am and 3:00 pm.
- PW-37. The applicant shall post temporary "No Parking" signs along the entire length of the property prior to the start of any work on-site. The temporary "No Parking" signs shall be covered at the end of each working day and uncovered at the start of the following working day prior to any construction activity. If two-way traffic cannot be accommodated, a traffic control plan prepared by a CA licensed civil or traffic engineer or a C-31 licensed contractor depicting the use of flagmen and/or detouring shall be submitted for review.

- PW-38. Overnight storage of materials or equipment within the public right-of-way is prohibited.
- PW-39. Temporary bins (low boy), if used, shall be “roll off” style to be provided by Athens Services. Athens Services has an exclusive agreement with the City for the provision of trash removal services: only Athens dumpsters can be used. Any dumpsters placed on the roadway shall require a protective barrier underneath (such as plywood) to protect the pavement. The applicant shall obtain dumpster permit from the Public Works Department.
- PW-40. The applicant shall obtain oversize/overload permits from the Public Works Department for any oversized equipment used during the stages of construction, including, but not limited to: demolition; clearing and grubbing; grading; material disposal; drilling for piles and/or caissons; trenching for footings; excavation for retaining walls; core sampling of soils; etc.
- PW-41. The applicant shall be responsible for posting a project sign at the entrance to the project site displaying the City’s construction hours per SPMC Section 19A.13. The project sign shall be 24" x 36" and made of durable weather-resistant material. The applicant shall provide a 24-hour emergency contact number for the designated contact who will be responsible for maintaining the public right-of-way during the all stages of construction until the project is complete.

Traffic

- PW-42. The applicant shall enter into an agreement with the City to pay for preparation of a traffic study that shall focus on circulation after the project is completed and occupied. If required by the City Engineer, the traffic study shall focus on on-site and off-site circulation, including the driveway accesses on Hope Street and Fremont Avenue (inbound/outbound) and turning movements to determine appropriate striping, pavement markings, and/or signage to improve motor vehicle and pedestrian safety on Hope Street, Fremont Avenue and Mission Street.

Certificate of Occupancy

- PW-43. The applicant shall apply for a change of address permit for the new units prior to final occupancy approval.

BUILDING AND SAFETY DIVISION

- BD-1. The second sheet of building and grading plans is to list all conditions of approval and to include a copy of the Planning Commission Decision letter. This information shall be incorporated into the plans prior to the first submittal for plan check.
- BD-2. School Developmental Fees shall be paid to the School District prior to the issuance of building permits.

- BD-3. Fees shall be paid to the County of Los Angeles Sanitation District prior to issuance of building permits.
- BD-4. Park Impact Fee to be paid prior to issuance of building permits.
- BD-5. Per Chapter 16A of the City of South Pasadena Municipal Code, Growth fee to be paid prior to issuance of building permits.
- BD-6. An application to assign address and unit numbers shall be filed with the Public Works Department prior to plan check submittal. Applicant shall submit a site plan and a list of the proposed addresses along with the plan check application.
- BD-7. In accordance with paragraph 5538(b) of the California Business and Professions Code, plans are to be prepared and stamped by a licensed architect.
- BD-8. Structural calculations prepared under the direction of an architect, civil engineer or structural engineer shall be provided.
- BD-9. The owner shall retain the soils engineer preparing the Preliminary Soils and/or Geotechnical Investigation accepted by the City for observation of all grading, site preparation, and compaction testing. Observation and testing shall not be performed by another soils and/or geotechnical engineer unless the subsequent soils and/or geotechnical engineer submits and has accepted by Building Division, a new Preliminary Soils and/or Geotechnical Investigation.
- BD-10. At the time of plan submittal, the PDF copy of the soils report shall be provided by the applicant.
- BD-11. A geotechnical and soils investigation report is required, the duties of the soils engineer of record, as indicated on the first sheet of the approved plans, shall include the following:
 - a) Observation of cleared areas and benches prepared to receive fill;
 - b) Observation of the removal of all unsuitable soils and other materials;
 - c) The approval of soils to be used as fill material;
 - d) Inspection of compaction and placement of fill;
 - e) The testing of compacted fills; and
 - f) The inspection of review of drainage devices.
- BD-12. The geotechnical and soils engineer shall review and approve the project grading and foundation plans to show compliance that their recommendations have been properly implemented.
- BD-13. A grading and drainage plan shall be approved prior to issuance of the building permit. The grading and drainage plan shall indicate how all storm drainage including contributory drainage from adjacent lots is carried to the public way or drainage structure approved to receive storm water.

- BD-14. Stormwater Planning Program LID Plan Checklist (MS4-1 Form) completed by Engineer of Record shall be copied on the first sheet of Grading Plans. The form can be found at the following link:
- <https://www.dropbox.com/s/5p4yf08beipzyot/SP%20MS4-1%20LID%20Determination%20Form.pdf?dl=0>
- BD-15. The property shall be surveyed, and the boundaries marked by a land surveyor licensed by the State of California.
- BD-16. Foundation inspection will not be made until the excavation has been surveyed and the setbacks determined to be in accordance with the approved plans by a land surveyor licensed by the State of California. THIS NOTE IS TO BE PLACED ON THE FOUNDATION PLAN IN A PROMINENT LOCATION.
- BD-17. No form work or other construction materials will be permitted to encroach into adjacent property without written approval of the affected property owner.
- BD-18. All State of California disability access regulations for accessibility and adaptability shall be complied with.
- BD-19. Parking garage not meeting the criteria of natural ventilation per Section 406.5.2 shall be designed as enclosed parking garage. Mechanical ventilation in accordance with Section 406.6.2 is required for the enclosed parking garage.
- BD-20. The building height and area shall not exceed the limits specified in Table 503 based on the type of construction as determined by Section 602 and the occupancies as determined by Section 302 except as modified hereafter. When special provisions under Section 510 are used, the podium deck shall provide the required horizontal separation continuously across the four loft units. Where vertical offset occurs at the horizontal assembly, it shall comply with Section 510.2.
- BD-21. Residential dwelling unit “Loft-1” that contains an intermediate level not within the area of the room or space below shall be considered as multistory as it does not meet the code definition of a mezzanine.
- BD-22. Residential dwelling units that contain a loft or mezzanine level shall be considered as multistory where the aggregate area of a mezzanine exceeds one-half of the floor area of the room per Section 505.2.1.
- BD-23. Multistory dwelling units contained in buildings with elevators shall comply with Section 1102A.3.2, having at least one kitchen and at least one bathroom located on each floor that is considered a ground floor and primary floor of the unit. Furthermore, the accessible route connecting to all accessible space shall be provided within the dwelling unit per Division IV of Chapter 11A.

- BD-24. All ground-floor one-story residential “loft” units (units having a qualified mezzanine) shall be adaptable, and an accessible route shall connect to all accessible space, including the mezzanine (considered changes in level, not a story) shall be provided within the dwelling unit per Division IV of Chapter 11A. An accessible route to the bedroom at the loft/mezzanine level may not be required, provided there is an additional bedroom provided at the ground level per Fair Housing Act Design Manual. Please be advised that Chapter 11A of the California Building Code does not have similar provisions.
- BD-25. Each portion of a building shall be individually classified in accordance with Section 302.1. Where a building contains more than one occupancy group, the building or portion thereof shall comply with the applicable provisions of Section 508.2, 508.3 or 508.4, or a combination of these sections.
- BD-26. Individual occupancies shall be separated from adjacent occupancies in accordance with Table 508.4.
- BD-27. Fire-resistance rating requirements for north exterior wall along line 8, east exterior wall along line C, and west exterior wall based on fire separation distance shall comply with Table 602 of the Building Code.
- BD-28. Maximum area of for north exterior wall along line 8, east exterior wall along line C, and west exterior wall openings and degree of open protection based on fire separation distance shall comply with Table 705.8 of the Building Code.
- BD-29. The rated corridor connecting to Courtyard A at Level 2 is permitted to be discontinuous at the courtyard, provided exterior walls of all units adjacent to the courtyard are separated from the interior of the building by walls and opening protectives as required for the corridor per Section 1021.2 (courtyard in effect becomes a part of the corridor).
- BD-30. The rated corridor connecting to the egress balconies at Level 3 and 4 is permitted to be discontinuous at the egress balconies, provided exterior egress balconies are separated from the interior of the building by walls and opening protectives as required for the corridor per Section 1021.2.
- BD-31. The dead-end condition at the egress balcony past Stair-A connecting to Roof Deck-1 at Level 3 shall be fire-resistance rated per Section 1020.1 and 1021.2, where combustible materials are prohibited at the exterior finish of the elevator and stair enclosure. In addition, this dead-end condition shall not exceed the length as allowed per Section 1020.4.
- BD-32. Egress Stair D serving as the second required means of egress for the enclosed garage of S-2 Group occupancy at the ground level shall be accessible per Section 1009. Stairway not between stories shall not be considered part of accessible means of egress per Section 1009.3. This exit shall discharge directly to the exterior of the building and shall be at grade or shall provide a direction path of egress travel to grade per Section 1028.

- BD-33. Exterior exit stairways as an Exit Discharge component connecting between the terminating point of interior exit Stair-D and dog park at grade shall be have a minimum fire separation distance of 10 feet to the adjacent lot line per Section 1027.5.
- BD-34. An egress court compliant to section 1028.4 shall be provided to connect Stair-B to a public way. Its minimum width shall be maintained and clear from the loading area at level of exit discharge.
- BD-35. At least one standard accessible residential parking space shall be provided at the basement level and located on the shortest possible route to an accessible building with multiple accessible entrances per Section 1109A.7. Only the van accessible spaces can be grouped to a different level in a multilevel parking facility.
- BD-36. 10 percent of the total residential parking spaces assigned for the residential units in this building shall be electric vehicle (EV) charging spaces capable of supporting future EV supply equipment (EVSE) per Section 4.106.4.2 of the CalGreen Code. When EV chargers are installed, accessible space shall be provided per Section 4.106.4.2.1. The first EV space shall be available for use by all residents. This space therefore shall not be used for parking assigned to any residents or guests.
- BD-37. Project shall comply with the CalGreen Non-Residential mandatory requirements.
- BD-38. Bicycle parking for nonresidential building shall be provided to meet the requirements per Section 5.106.4 of the CalGreen Code. The bicycle racks shall be anchored within 200 feet of the visitors' entrance, readily visible to passers-by.
- BD-39. Project shall comply with the CalGreen Residential mandatory requirements.
- BD-40. Electrical plan check is required.
- BD-41. Mechanical plan check is required.
- BD-42. Plumbing plan check is required.
- BD-43. Demolition permit is required for any existing buildings which are to be demolished.
- BD-44. When required by Fire Department, all fire sprinkler hangers must be designed, and their location approved by an engineer or an architect. Calculations must be provided indicating that the hangers are designed to carry the tributary weight of the water filled pipe plus a 250-pound point load. A plan indication this information must be stamped by the engineer or the architect and submitted for approval prior to issuance of the building permit and a separate is required for Fire Sprinklers.

FIRE DEPARTMENT

- FD-1. All construction must comply with all appropriate fire protection installation standards as adopted by the South Pasadena Fire Department.
- FD-2. Shall comply with all current adopted California Building Code, Fire Codes, NFPA's and South Pasadena Municipal Code, requirements are based on occupancy classification.
- FD-3. Fire Sprinkler Required. Approved automatic sprinkler systems in new buildings and shall be provided in the locations described in Sections 903.2.1 through 903.2.12.
- FD-4. An automatic fire sprinkler system complying with NFPA 13 and the fire department standards is required. The applicant shall hire a Fire Department approved fire sprinkler contractor. The fire sprinkler contractor shall submit plans with hydraulic calculations to the City for approval.
- FD-5. Water supply for buildings equipped with an automatic sprinkler system. For buildings equipped with an approved automatic sprinkler system, the water supply shall be capable of providing the greater of:
- 1- The automatic sprinkler system demand, including hose stream allowance.
 - 2- The required fire flow. B105.3
- FD-6. Underground Buildings shall be equipped throughout with a Class I automatic wet or manual wet standpipe system.
- FD-7. Standpipe systems shall be provided in new buildings and structures in accordance with Sections 905.2 through 905.10.
- FD-8. In other than Group R-3 and R-3.1 occupancies, Class III standpipe systems shall be installed throughout each floor where any of the following occurs:
- Buildings where the floor level of the highest story is located more than 30 feet above the lowest level of fire department of vehicle access
- FD-9. Additional fire hydrant(s) may be required as determined by the Fire Code Official at the time of plan check review. If additional fire hydrants are required, the developer shall be required to provide adequate fire hydrant improvements subject to the satisfaction of the Fire Code Official.
- FD-10. Buildings equipped with a standpipe system installed in accordance with Section 905, shall have a Fire Hydrant within 100 feet of the Fire Department Connection. (507.5.1.1)
- FD-11. Fire Flow. The flow rate of a water supply, measured at 20 psi residual pressure, that is available for firefighting. Fire flow requirements for buildings or portions of buildings and facilities shall be determined by an approved method or Appendix B. (507.3)
- FD-12. An approved water supply capable of supplying the required fire flow for fire protection shall be provided to premises upon which facilities, buildings or portions of buildings are hereafter constructed or moved into or within the jurisdiction. (507.1 CFC)

- FD-13. Water Supply Test. The fire code official shall be notified prior to the water supply test. Water supply test shall be witnessed by the fire code official and approved documentation of the test shall be provided to the fire code official prior to the final approval of the water supply system. (507.4 CFC)
- FD-14. A fire pump may be required due to low water pressure. Where provided, fire pumps shall be installed in accordance with this Section 913 and NFPA 20.
- FD-15. Fire Alarm required. Plans shall be submitted to the City for approval (manual and automatic). An approved fire alarm system shall be installed in accordance with the provisions of this code and NFPA 72 shall be provided in new buildings and structures.
- FD-16. Alarm systems used to provide central station service shall comply with the general requirements and the use requirements of Section 26.3. (NFPA 72)
- FD-17. Exits shall comply with Sections 1022 through 1027 and the applicable requirements of Sections 1003 through 1015. Exit shall be continuous from the point of entry into the exit to the exit discharge.
- FD-18. Aerial fire apparatus access roads shall have a minimum unobstructed width of 26 feet, exclusive of shoulders, in the immediate vicinity of the building or portion thereof.
- FD-19. Automatic Garage door openers. If provided, shall be listed in accordance with UL 325. See Health and Safety Code Sections 19890 and 19891 for additional provisions for residential garage door openers
- FD-20. New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property.
- FD-21. Where access to or within a structure or an area is restricted because of secure openings or where immediate access is necessary for life-saving or fire-fighting purposes, the Fire Code Official is authorized to require a key box to be installed in an approved location. (506.1 CFC)
- FD-22. Structures under construction, alteration or demolition shall be provided with no less than one approved portable fire extinguisher in accordance with Section 905 and sized for not less than ordinary hazard as follows:
- At each stairway on all floor levels where combustible materials have accumulated.
 - In every storage and construction shed.
 - Where special hazards exist including but not limited to and the storage and use of combustible and flammable liquids. (3315.1 CFC)

- FD-23. Portables fire extinguishers shall be installed in all of the following locations:
- In new and existing Group A, B, E, F, H, I, L, M, R-1, R-2, R-2.1, R-3.1, R-4 and S Occupancies. (906.1 CFC)
- FD-24. For water/ meter and water flow tests, please contact the Water Department/Public Works at (626) 403-7240.
- FD-25. The City of South Pasadena Fire Department reserves the right to change or otherwise modify requirements based upon receiving additional project information or other unforeseen circumstances.

POLICE DEPARTMENT

General Conditions

- PD-1. The project shall have a property manager assigned with the ability to provide 24-hour service seven days a week. The 24/7 contact information for the property manager shall be made available to all building tenants and visitors to the buildings.
- PD-2. The parking structure shall be secured 24 hours a day, Monday through Sunday of every week.

Prior to Final Inspection

- PD-3. The applicant shall install proper signage within the parking structure informing residents, tenants, and visitors of parking restrictions.
- PD-4. Security cameras shall be installed on the exterior of the building and within the parking structure. An external link to be used by public safety is required.
- PD-5. Security lighting shall be installed on the exterior of the building and within the parking garage.
- PD-6. Approved radio coverage for emergency responders shall be provided within all buildings per CFC 510.1 meeting any one of the following conditions:
- a. There are more than three stories above grade plane (as defined by the Building Code Section 202);
 - b. The total building area is 30,000 square feet or more;
 - c. The total basement area is 5,000 square feet or more; and/or
 - d. Where required by the fire code official and radio coverage signal strength levels are not consistent with the minimum levels set forth in Section 510.4.1.

At Final Inspection

- PD-7. At final inspection, the applicant shall provide the Police Department with building access-Knox box key access as required by public safety.

ATTACHMENT 2

Applicant's Design Narrative and Request for
Incentives/Concessions/Waivers

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April 09, 2022

Chair John Lesak
Vice-Chair Lisa Padilla
Hon. Commissioners Dahl, Braun, and Barthakur
City of South Pasadena Planning Commission
City of South Pasadena, City Hall
1414 Mission Street
South Pasadena, CA 91030

Re: PROJECT #2392 – CUP/DRX/DBR/AHR/TRP – 815 Fremont Avenue

Dear Chair Lesak, Vice-Chair Padilla, and Honorable Commissioners Dahl, Braun, and Barthakur:

Our firm has been retained to represent the applicant on the above-referenced project. As explained in your staff report, the applicant proposes to build a new mixed-use project pursuant to the Mission Street Specific Plan (“MSSP”), Section 3.0. The project will consist of 50 residential units within a four-story structure over approximately 3,769 square feet of ground floor commercial and retail uses. The project will provide 95 parking spaces in one subterranean parking level, and a partial on-grade parking level that is concealed from the public view in adherence with the MSSP Section 7.3.3 and the City’s zoning guidelines.

As also explained in your staff report, the Project proposes 14.7% very low-income units on site (“VLI”) under the State Density Bonus Law (“SDBL”). In particular, under Government Code Section 65915, a 20% density bonus is allowable for the minimum 5% VLI. However, for the proposed project, 5% VLI would yield only 1.7 units, which rounds up to 2 units. To provide more on-site units, therefore, the project proposes 3 additional units for a total of 5 VLI, which equals 14.7% VLI for an eligible 46.25% density bonus.

Under Government Code Section 65915, two incentives or concessions are available for providing 14% VLI. The applicant, therefore, is requesting the following concessions:

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- I. **Increase in floor count.** The project will consist of four stories, which is one story level higher than the permitted three stories limit in Section 5.0 of the MSSP.
- II. **Increase in Floor Area Ratio (“FAR”).** The project FAR is approximately 1.86 times building to site area, which is higher than the 0.8 FAR permitted in Section 5.0 of the MSSP. The second concession, therefore, is to increase the FAR from 0.8 to 2.0.

In addition, Government Code Section 65915 states that an applicant may request a waiver or reduction of development standards in addition to any concessions. The applicant, therefore, also is requesting the waivers set-forth in Exhibit A, which is attached hereto and incorporated herein by this reference.

We believe the project complies with the City’s General Plan, all of the development standards set-forth in the Zoning Code, except those mentioned above, and is designed to be compatible with the existing neighborhood in its design, scale, and massing. As such, we believe that all of the findings required under the City’s Municipal Code and State Density Bonus Law can be made to approve the Project.

We write now simply to set-forth the applicable legal standards and framework for this project.

First, any objection to the findings for the CEQA determination and proposed zoning entitlements must be based upon substantial evidence, not mere conjecture. As the courts have explained, “[s]ubstantial evidence includes facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts. . . . **It does not** include ‘[a]rgument, speculation, unsubstantiated opinion or narrative, [or] evidence which is clearly inaccurate or erroneous. . . . Complaints, fears, and suspicions about a project’s potential environmental impact likewise do not constitute substantial evidence... Members of the public may ... provide opinion evidence where special expertise is not required. . . . However, “[i]nterpretation of technical or scientific information requires an expert evaluation. Testimony by members of the public on such issues does not qualify as substantial evidence. . . . “[I]n the absence of a specific factual foundation in the record, dire predictions by nonexperts regarding the consequences of a project do not constitute substantial evidence.” *Joshua Tree Downtown Business Alliance v County of San Bernardino* (2016) 1 Cal. App. 5th 677 (Citations omitted; Emphasis added). Here, there is no substantial evidence to support not making the required findings to approve the Project.

Second, the Housing Accountability Act (“HAA”), codified in Government Code Section 65589.5, applies to the Project and restricts the City’s ability to deny it because the HAA defines a “housing development project” to mean: “a use consisting of any of the following: (A) Residential units only. (B) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use. (C) Transitional housing or supportive housing.” Gov. Code § 65589.5(h)(2). The Project application is for single mixed-use building where “at least two-thirds of the square footage [is] designated for residential

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use.” The Project, therefore, falls under the foregoing definitions and the HAA thus applies to the Project application.

Further, the applicability of the HAA means that the City cannot deny the Project unless it makes certain written findings under Government Code Section 65589.5, as follows:

(j) (1) When a proposed housing development project complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that the application was deemed complete, but the local agency proposes to disapprove the project or to impose a condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by a preponderance of the evidence on the record that both of the following conditions exist:

(A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a “specific, adverse impact” means 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.

(B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

As there is no evidence that the Project would have “a specific, adverse impact upon the public health or safety” as defined above, there is no basis to make either of these findings and/or deny the Project under the HAA.

Third, under SB330, a “housing development project” is defined the same as under the HAA. The City, therefore, is required to process the applications for it under the General Plan and Zoning Ordinance in effect at the time the application is deemed complete. SB330 prohibits the City from limiting the density of the Project to less than that authorized by the General Plan land-use designation and zoning ordinance in effect before January 1, 2018. Specifically, when an application for a conditional use permit, zoning variance, or any other discretionary permit for a housing development project is submitted to the City, the City is barred from (1) enforcing or requiring the applicant for a housing development project to comply with any zoning ordinance adopted, an amendment to an existing zoning ordinance or general plan, or any other standard adopted or amendment to an existing standard after the date on which the application is deemed complete; and, (2) charging any fee to the applicant in excess of the amount of fees or other exactions that applied to the proposed project at the time the application is deemed complete

Fourth, with regard to design review, under the HAA, any applicable standards must be objective, and the City cannot impose or enforce any design standards that are established on or after January 1, 2020, that are not objective. Specifically, a city may not impose or enforce

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design standards “established on or after January 1, 2020 that are not objective design standards.” Government Code Section 66300(b)(1)(C). An objective design standard is defined to mean a standard “that involves no personal or subjective judgment by a public official and is uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal of an application.” *Id.*, Section 66300(a)(7). To the extent the City wishes to enforce non-objective standards established before January 1, 2020, the HAA does not allow a project to be turned down or reduced in density for non-objective reasons. *Id.*, Section. 65589.5(j)(1)). The City, therefore, only can regulate design with established objective design standards.

Recent case law confirms the statutory scheme under the HAA, Cal. Gov’t Code § 65589.5: “[w]hen a proposed housing development project complies with applicable, *objective general plan and zoning standards and criteria*, the project cannot be denied or reduced in density without the specified health and safety findings. *Cal. Renters Legal Advocacy and Educ. Fund v. City of San Mateo*, Nos. A159320, A159658, 2021 WL 4129452, at *4 (Cal. Ct. App. Sept. 10, 2021) (emphasis in original) (analyzing objective standards in the context of the HAA, and finding that the city’s design guideline was not “objective” and could not support the decision to reject the project). Where a city’s ordinances and guidelines require “personal interpretation or subjective judgment that may vary from one situation to the next,” the city does not rely on objective criteria. *Id.* at **7-9. However, the California Legislature “insists on objective criteria so as to ensure ‘reasonable certainty . . . to all stakeholders’ about the constraints a municipality will impose.” *Id.* at *9. Indeed, “where a standard is truly objective, in that it is “uniformly verifiable by reference to an external and uniform benchmark” (§ 65589.5, subd. (h)(8), italics added), there is little to no room for reasonable persons to differ on whether a project complies with such a benchmark.” *Id.* at *10 (refusing to defer to the city’s interpretation of the guidelines because the criteria were neither objective or quantifiable).

In another case examining whether the City of Los Altos utilized “objective planning standards” when processing a development application, the Superior Court found that the City of Los Altos did not rely on “permissible, objective standards for parking” because it could not adequately identify the standards it was relying on, and failed to identify “a uniformly verifiable, knowable standard” for adequate ingress and egress. *40 Main Street Offices, LLC v. City of Los Altos*, Superior Court of California, County of Santa Clara, Case No. 19CV349845, Order Granting Consolidated Petitions for Writ of Mandate, Apr. 27, 2020 (developer alleged that the City violated the SDBL and the HAA in denying developer’s proposal for a mixed-use building)), at 26-27. As a result, the City of Los Altos thereby “impermissibly relied on a subjective standard in its denial letter.” *Id.* at 27.

Fifth, under the SDBL, an applicant for a density bonus may submit to a city a proposal for the specific concessions that the applicant requests. The City “**shall grant** the concession . . . requested by the applicant **unless** the city . . . makes a written finding, based upon substantial evidence, of the following:

(A) The concession or incentive does not result in identifiable and actual cost reductions, consistent with subdivision (k), to provide for affordable housing costs . . .

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(B) The concession or incentive would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment . . . and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.

(C) The concession or incentive would be contrary to state or federal law.

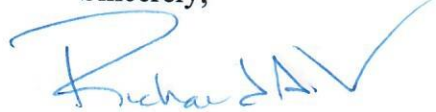
Cal. Gov't Code § 65915(d)(1) (emphasis added). Accordingly, Government Code § 65915 "imposes a clear and unambiguous mandatory duty on municipalities to award a density bonus when a developer agrees to dedicate a certain percentage of the overall units in a development to affordable housing." *Latinos Unidos*, 217 Cal. App. 4th at 1167; Cal. Gov't Code § 65915(d) ("A city, county, or city and county **shall** grant one density bonus . . .") (emphasis added).

Here, Applicant has agreed to dedicate 14.7% of the units for affordable housing and has requested two concessions as permitted under the SDBL in addition to those waivers presented in Exhibit A. Pursuant to the express language of Government Code § 65915(d)(1), therefore, the City is required either to grant the requested concessions or make the required written findings based upon substantial evidence. Since no such evidence exists, let alone substantial evidence, the City must grant the requested concessions.

Finally, if the City does violate the HAA, SDBL, and/or SB330 by disapproving a housing development project that complies with applicable, objective general plan and zoning standards and criteria, or imposes a condition that the Project be developed at a lower density, without making the required findings supported by a preponderance of the evidence, the HAA provides a private right of action, including the right to recover attorneys' fees and costs.

Needless to say, the applicant is not interested in any such actions. We, therefore, respectfully request you approve the Project accordingly. Thank you for your attention and consideration.

Sincerely,

A handwritten signature in blue ink that reads "Richard A. McDonald" with a large checkmark at the end.

Richard A. McDonald, Esq.

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EXHIBIT A

815 Fremont Avenue – Concessions and Waivers - January 26, 2022

Development Concessions Requested (Previously agreed upon by staff)

1. Concession to increase Floor Area Ratio (FAR) beyond the Mission Street Specific Plan's allowable FAR from 0.8 to 2.0.
2. Concession to have four story building beyond the allowable three stories as allowed under the current Mission Street Specific Plan

Summary Development Waivers

Code Requirement	Waiver Requested	Justification
Building Height – Per MSSP 5.0 Table 7, Section 8.1.2, and Ordinance No. 2102 Table 7 the building height limit is 32' with an additional 5' pediment, totaling a height limit of 37'.	The applicant requests an additional 28' in height, totaling 65', including elevator tower overruns to accommodate machinery equipment. This waiver was previously agreed to by City staff.	In order to accommodate construction of 50 residential units including 5 units to be leased at the very low income level, applicant needs a waiver of the building height limitation currently in the MSSP.
Open Space Requirement – Per MSSP 7.3.5.B, the open space requirement is 275 SF per unit. The MSSP and Zoning Code do not define open space nor provide the calculation method.	Applicant is requesting a waiver of this development standard to reduce the open space requirement from 13,740 sf of Open Space to 11,703 sf of Open Space.	In order to accommodate a corner plaza, a number of balconies and common areas were eliminated from the previous design so it can construct the proposed project without reducing the total amount of open space required under the MSSP.
Courtyard Requirement – Under the MSSP 7.4.4, at least 15% of the site shall consist of a courtyard, which is approximately 5,320 sf.	Applicant is requesting a waiver of this development standard to provide 13.2% of the site for a courtyard, which is approximately 4,676 sf.	In order to accommodate a corner plaza, the project must be reconfigured and the courtyard size reduced slightly so that the proposed project can physically be constructed with a corner courtyard and without reducing the total number of units.
Number of Units Facing Courtyard Requirement – Per MSSP 7.4.4.2, the central courtyard requirement is that 15% of the site shall consist of courtyards onto which 75% of the units shall face.	Applicant is requesting a waiver of this development standard by (a) a reduction in the total courtyard coverage and (b) a reduction in the number of units facing the	Applicant is not physically able to construct 38 units facing a corner courtyard. Previously, with a central courtyard, the proposed project had two buildings with multiple units able to be face an

	<p>courtyard. Where the project is currently required to have 38 units facing courtyards, Applicant is requesting a waiver to have 33 units face the courtyard.</p>	<p>internal courtyard. However, a corner courtyard has two fewer walls and thus a reduced number of units that can face it.</p>
<p>Minimum Sized Courtyard - Per MSSP 8.6.3.1, there is a requirement of a minimum area of 2,000 sf for a courtyard.</p>	<p>Applicant is requesting a waiver of this development standard for Courtyard B on the fourth floor along Fremont Avenue.</p>	<p>Courtyard B was designed and placed on the fourth floor along Fremont Avenue to address Staff's comments on the building form and scale, and their request to step back the building massing. However, there is not enough space on the fourth floor along Fremont Avenue to construct a 2,000 square foot courtyard when the building is pulled back as requested. A smaller courtyard of only ___ sq. ft. is possible.</p>
<p>Courtyard Enclosure Requirement - Per MSSP 8.6.3.3, there is a requirement for a courtyard to be enclosed on three sides for a minimum of 75% of its perimeter by buildings, garden, structures, or solid linear landscaping.</p>	<p>Applicant is requesting a waiver of this development standard requirement for Courtyard B, which was designed and placed on the fourth floor along Fremont Avenue to address Staff's comments on the building form and scale.</p>	<p>A corner plaza by definition only can be enclosed on two sides. The construction of a 75% enclosure of Courtyard B would be thus not physically possible.</p>
<p>Inset Entrance of Commercial - Per MSSP 7.3.2.B.5, the building wall requirement where an inset entrance is allowed up to 15' within a bay.</p>	<p>Applicant is requesting a waiver of this development standard to inset the entrance of commercial space #3, and the adjacent leasing office, farther away from Mission Street at the corner of Fremont and Mission.</p>	<p>Without this waiver, the corner courtyard desired by Staff would be physically limited to 15' in depth. This would result in a plaza that does not reflect the spirit of Staff's request, nor have the physical space for units to face the courtyard as also required.</p>
<p>Courtyard Visible from the Street - Per MSSP 8.6.3.4, there is a requirement for a courtyard to be open to or visible from the street through a minimum 15foot wide opening that is open to sky and which may be fenced with a primarily transparent material. In addition, per MSSP 8.6.3.5, there is a requirement for a courtyard in a mixed-use project that is located more than 5' above grade to be</p>	<p>Applicant is requesting a waiver of this development standard at Courtyard A, which is visible from the street through a 7.5' foot wide opening that is open to the sky. In addition, the access stair to Courtyard A is fully enclosed as required for fire protection purposes. Therefore, wide access steps are not visible from the street. This is as a result of the central courtyard being re-</p>	<p>The relocation of the central courtyard to the corner makes a line of sight from the street to Courtyard A physically constrained and the required opening is thus limited in its overall width. In addition, the access stairs to Courtyard A must meet fire protection code requirements. Introducing another staircase to Courtyard A for visible purposes only requires excessive area that would make it physically</p>

visible and accessible by wide steps from the street.	designed into a corner plaza as requested by Staff.	impossible to construct the proposed project.
95% Coverage along Mission Street Requirement – Per MSSP 7.3.2.A.3, the lot frontage front building wall is required to occupy at least 95% of the lot frontage in District A.	Applicant is requesting a waiver of this development standard because the project is currently proposed to have coverage of only 105 feet of the 143 feet of lot frontage required on Mission St.,	In order to physically construct a viable and pedestrian oriented corner plaza per Staff's request, frontage along Mission St. must be reduced below the 95% coverage requirement.

Additional Waiver Requested

Commercial Parking Requirement - Per MSSP 6.2.1.A.1, the commercial parking requirement is 4 spaces per 1,000 square feet. The parking requirements are different for restaurant (10 spaces per 1000 sf) and fast food use (12 spaces per 1000 sf).	Applicant requests a waiver and modified development standard from the additional parking requirement required from providing outdoor seating in the corner plaza.	The corner plaza was a design feature encouraged by city staff for the purpose of celebrating the corner of Mission Ave. and Fremont Ave. and was not required per the Mission Street Specific Plan. The developer is physically be unable to construct additional parking spaces to accommodate the additional parking requirement.
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Commercial Parking Approach

In addition to the above requested waiver for the commercial parking requirement, applicant is noting that one of the "Residential ADA" parking spaces on the ground floor will be allocated to the subterranean level. This will allow the ground floor parking level to fulfill the 4 per 1000 commercial parking standard per the MSSP.

In the event that a restaurant or fast food user leases the space, the applicant will allocate this overflow parking requirement to the subterranean parking level which has 76 parking spaces. Per the TPP, the residential parking requirement is 25 parking spaces (50 units x ½ parking spaces per unit) and thus the subterranean parking level will be able to accommodate the additional commercial parking requirements.

Arbor Square - Design Narrative

815 Fremont Avenue, South Pasadena

Arbor Square is envisioned to be a vibrant mixed-use, mixed-income project with 50 residential units in a four story structure over approximately +/-4,000 square feet of ground floor commercial, pursuant to the MSSP vision outlined in Section 3.0. Four of the residential units will be a two level “townhouse” style homes extending down Fremont Avenue with stoops and front patios along the street. This concept is intended to activate the street front with traditional residential entries off the sidewalk putting more eyes on the street for added security, and connectivity with the neighborhood as envisioned by the MSSP in Section 4.2.1.

ENVIRONMENTALLY CONSCIOUS

Committed to being environmentally conscious and to promote healthy living, the applicant has proposed for Arbor Square to be “EV Ready” per the City municipal code, as well as provide a bicycle room with the capacity to fit up to 56 bicycle parking spaces for the building residents, and 6 bike stands for the commercial tenants and patrons. Also, adhering to the environmentally conscious recommendations of local citizens, the project proposes to eliminate the use of gas cooking appliances in the residential units.

PROJECT OVERVIEW

The proposed architectural style will be vernacular commercial to fit within the fabric of the neighborhood, and to be consistent with the majority of the area’s style. The design of the building carefully weaves into Mission Street architecture through the use of authentic looking brick materials, high end steel finishes, and engaging indoor-outdoor operable storefront window walls, promoting an engaging visual experience along one of the City’s most frequented and active streets. This style continues by wrapping the corner at Mission Street and Fremont Street leading into a series of massing variation, which creates an aesthetically appealing transition towards the commercial edge on Mission Street, and the residential edge along Fremont Avenue.

The design also addresses the mixed-use program with carefully curated façade materials intended to accent elevator shafts and stairwells throughout the project and mosaic-like facades throughout the building to bring a warm and personal touch for the building residents. The architecture promotes pedestrian activity with public/private space interaction, and thoughtfully ties into the historical style of the neighborhood with a contemporary flair to celebrate South Pasadena’s heritage as well as promote the future of the City.

OPEN SPACE

In response to community input and City staff guidance, Arbor Square’s building height and massing is designed to maximize integration with its block. The third and fourth floors of the project are stepped back and away from the neighboring structures, which creates a series of balconies and decks used to enhance the open space experience.

A lounge deck located on the second floor of the building adjacent to the neighboring property to the West, offers an intimate space for the residents to meet or take their work laptop and enjoy a warm, sunny day. Landscaped courtyards will be located on multiple levels of the project to

bring in natural light and fresh air to each floor of the building, promoting health and wellness. Open spaces is provided throughout the building, including three distinct courtyards on multiple levels, a residents' lounge deck on the second level, an intimate roof deck on fourth level, and a residential green space.

The project boasts additional open space throughout each floor, as well as balconies for units to enjoy California al fresco living.

COURTYARDS AND PLAZAS

The first of the three courtyards is the commercial Corner Plaza. Located on the ground floor at the corner of Mission Street and Fremont Street. It is open to the public and activated with thoughtful hardscape and landscape elements that will serve the project aesthetically and practically. It is intended to accommodate outdoor dining and other community uses and events, such as the South Pasadena Arts Crawl, Eclectic Music Festival, and various festive holiday gatherings.

The second courtyard is the residents' courtyard located at the podium level facing south to capture the sun exposure. It will be activated with a water feature, picnic tables, BBQ grills, and connect to the residential club house and fitness room.

The third courtyard is envisioned to be a Zen and yoga garden, ideal for meditation and reading. A relaxation mezzanine for the residents to experience the magnificent views of the San Gabriel Mountains is strategically placed above the third courtyard.

All courtyards, parks, lounges, and decks will be landscaped with drought tolerant native landscape themes.

Lastly, and in addition to the courtyards and decks, there will be a residential green space and a dog run towards the rear of the property off Fremont Avenue that allows residents with furry friends to conveniently let their pet run and play without having to leave the property.

INCLUSIONARY HOUSING

In response to our State's Housing Crisis and the City leadership's desire to accommodate inclusionary housing in South Pasadena, the project will utilize the State Density Bonus Law to promote equity with the inclusion of 14.6% of the residential units for 'Very Low Income' level residents, i.e. five units. In exchange the project will received two development incentives. These incentives ensure the opportunity of physically securing housing to those in need, including the City of South Pasadena's young professionals, nurses, teachers, fire fighters, police, and municipal services employees. Pursuant to State Density Bonus Law, deviation from the City development standards is permitted if needed to turn this vision into a reality.

ATTACHMENT 3

Project Plans ([Link](#))

ATTACHMENT 4

Section 65915 Financial Analysis and Report

By Keyser Marston Associates (KMA)



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
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SAN DIEGO
Paul C. Marra

To: Angelica Frausto-Lupo, Community Development Director
City of South Pasadena

From: Kathleen Head

Date: March 30, 2022

Subject: Density Bonus Analysis: 815 Fremont Avenue

Keyser Marston Associates, Inc. (KMA) evaluated the development application submitted by Urbanest Group, Inc. on behalf of 815 Fremont LLC (collectively referred to as the “Applicant”). The application relates to the development of a 35,469 square foot site located at 815 Fremont Avenue (Site). The Site is located within the Mission Street Specific Plan Area (MSSP).

The application was submitted under the auspices of the City of South Pasadena (City) Density Bonus Ordinance.¹ This Ordinance was enacted to comply with the requirements imposed by California Government Code Section 65915 et seq. (Section 65915).²

BACKGROUND STATEMENT

Density Bonus Standards

1. Section 65915 (b) (1) defines the threshold requirements that must be imposed on a project in order for it to qualify for the density bonus benefits.

¹ The Ordinance is presented in South Pasadena Municipal Code Article 3, Site Planning and General Development Standards: Division 36. 370 (SPMC 36.370).

² The State Legislature has amended Section 65915 several times since SPMC 36.370 was last amended in 2013. Until SPMC 36.370 is amended, Section 65915 requirements will prevail.

2. Section 65915 (b) (2) requires Applicants to base the requested density bonus on one of four options, and those options cannot be combined to increase the density bonus percentage.
3. Section 65915 (f) provides sliding scale increases in a project's allowable density based on the percentage of income-restricted units proposed to be included in the development.
4. Section 65915 (d) (2) identifies the number of incentives or concessions required to be provided based on the percentage of income-restricted units to be included in the development.
5. Section 65915 (e) states that the City cannot apply any development standard that physically precludes the construction of a project at the density allowed by Section 65915 along with the permitted incentives or concessions:
 - a. Development standards waivers do not reduce the number of incentives or concessions to which the project is entitled.
 - b. There is no stated limit to the number of development standards waivers that can be requested.

Zoning Standards

The Site is currently occupied by Carrows Restaurant. The restaurant will be demolished to allow the Site to be redeveloped. The Site is located in District A of the MSSP, and is guided by the applicable zoning standards. The Site must be developed with a mixed-use project that includes ground floor commercial space. The land use and zoning standards for the Site do not include a density limit on a project's residential component. Rather, the basic requirements that are imposed on development can be described as follows:

1. The maximum floor area ratio (FAR) is .8; and
2. There is a two story limit.

As shown in the following table, the City staff estimated that 34 residential units could be developed under the applicable land use and zoning standards:

Base Zoning Calculations	
Allowable Base FAR: MSSP Standards	.8
Maximum Gross Building Area (GBA)	35,469 sq. ft. x .8 = 28,375 sq. ft.
Minimum Ground Floor Commercial Area: MSSP Section 42.1(B)	Mission St. Frontage: 152.8' x 20' = 3,056 sq. ft.
FAR Available for Residential Units	28,375 sq. ft. – 3,056 sq. ft = 25,319 sq. ft.
Average Residential Unit Size ³	763 sq. ft.
“Base Case” Unit Count	25,319 sq. ft. ÷ 763 sq. ft. = 33.1
Rounded Up ⁴	34 Units

Applicant Proposal

The “Proposed Project” consists of 50 units. To allow for the development of the Proposed Project, the Applicant is requesting the following:

1. A 45% increase over the base density results in 49.3 units, which must be rounded up to 50 units.
2. The following two incentives or concessions:
 - a. An “FAR Concession” that increases the allowable FAR to 2.0 from the base zoning standard of .8.
 - b. A “Building Story Concession” that increases the number of stories in the building to four stories from the base zoning standard of two stories.
3. The Applicant requested that the City provide waivers to MSSP development standards which are detailed in Appendix A. The City’s Planning Department staff has evaluated the developer’s request and determined that the waivers are required to comply with the requirements imposed by Section 65915 (e).

³ The average unit size was set based on the average unit size applied in the draft Sixth Cycle Housing Element for properties located in the MSSP area. This average was used for calculation purposes only.

⁴ Section 65915 (q) requires that each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number.

The Applicant is proposing to set aside five units for very-low income households, which represents 14.7% of the units allowed by the base zoning:

1. In accordance with Section 65915 (b) (1) (B), very-low income households must meet the household income qualifications standards imposed by California Health and Safety (H&SC) Code Section 50105.
2. To comply with the Section 65915 (c) (1), the affordable rents must be set using the calculation methodology imposed by H&SC Section 50053, and the income and affordability covenants must be imposed over a minimum term of 55 years.

Based on the assumption that the Proposed Project will comply with the preceding requirements, it will comport with the requirements imposed by Section 65915 (f) (2) and Section 65915 (d) (2). This will allow the Applicant to receive a 45% density bonus, two incentives or concessions, and the requested development standards waivers.

Financial Analysis

The combination of the density bonus and the incentives or concessions are intended to result in identifiable and actual cost reductions to provide for affordable housing costs (Section 65915 (k) (1) (3)). Section 65915 (d) (1) allows the Applicant to submit a proposal to the City to provide specific incentives or concessions. The City must grant the Applicant's request unless the City makes a written finding, based on substantial evidence, of any of the following:

1. Section 65915 (d) (1) (A): The incentive or concession does not result in the identifiable and actual cost reductions, consistent with subdivision (k), to provide for rents for the targeted units as specified in Section 65915 (c) (1).
2. Section 65915 (d) (1) (B): The incentive or concession would have a specific adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety 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.

3. Section 65915 (d) (1) (C): The incentive or concession would be contrary to state or federal law.

The purpose of the KMA analysis is to analyze the Proposed Project's financial characteristics to determine whether the specific incentives or concessions being requested by the Applicant, in addition to the density bonus, are required to fulfill the Section 65915 (d) (1) criteria. To that end, the KMA prepared financial analyses of the following development scenarios:

1. As shown in the Zoning Standards section of this memorandum, the Base Case includes 34 market rate units and 3,056 square feet of ground floor retail space.
2. The Proposed Project, which includes the following:
 - a. The residential component includes 50 units of which 45 units are rented at market rates and five units are rented at the statutorily set rents for very-low income households.
 - b. The commercial component consists of approximately 4,000 square feet of ground floor retail space.

Based on these analyses, KMA estimated the financial benefits created by the density bonus and two incentives or concessions being requested by the Applicant. These financial benefits are then compared to the estimated cost to provide the five required very-low income apartment units. The result is a determination of whether the incentives or concessions being requested by the Applicant provide the identifiable and actual cost reductions required to provide for affordable housing costs.

EXECUTIVE SUMMARY

The following factors must be considered by the City in evaluating the density bonus and concessions being requested by the Applicant:

1. The Applicant is entitled to receive two incentives or concessions that result in identifiable and actual cost reductions to provide for affordable housing costs (Section 65915 (k) (1-3)); and

2. If the City wishes to deny the requested concessions, the City must be able to demonstrate that the 45% density bonus allowed by Section 65915 (f) (2) can be achieved if the requested concessions are not provided (Section 65915 (e) (1)).

The development scopes are described below:

	BASE CASE	PROPOSED PROJECT
	34 MARKET APTS & 3,056 SF COMMERCIAL SPACE	45 MARKET RATE APTS; 5 VERY-LOW INCOME APTS; & 4,000 SF COMMERCIAL
Land Area (Sf)	35,469	35,469
<u>Residential Component</u>		
Market Rate Units		
One Bedroom	23	27
Two Bedrooms	11	17
Three Bedrooms	0	1
Very-Low Income Units		
One Bedroom		3
Two Bedrooms		1
Three Bedrooms		1
Total Residential Component	34	50
Average Unit Size (Sf of GLA)	713	866
<u>Gross Leasable Area</u>		
Residential Component	24,250	43,288
Commercial Component	3,056	4,000
Total Gross Leasable Area	27,306	47,288
<u>Parking</u>		
Ground Level Parking	12	19
1st Level Subterranean	45	76
Total Parking	57	95

The results of the financial analysis are presented in the following table:

	BASE CASE	PROPOSED PROJECT
	34 MARKET APTS & 3,056 SF COMMERCIAL SPACE	45 MARKET RATE APTS; 5 VERY-LOW INCOME APTS; & 4,000 SF COMMERCIAL
Total Development Cost	\$17,737,000	\$28,601,000
Per Square Foot of GBA	\$470	\$423
Percentage Decrease		10%
<u>Stabilized Net Operating Income</u>		
A. <u>Income</u>		
Residential Component		
Average Rent		
Market Rate Units	\$2,560	\$3,080
Per Square Foot of GLA	\$3.59	\$3.59
Very-Low Income Units		
One Bedroom		\$737
Two Bedrooms		\$820
Three Bedrooms		\$900
Miscellaneous Residential Income	\$50	\$50
Commercial Component Rent Income	\$3.25	\$2.93
Effective Gross Income	\$1,119,000	\$1,792,800
B. <u>Operating Expenses</u>		
Residential Component	\$312,100	\$491,300
Commercial Component	4,300	5,500
Total Operating Expenses	\$316,400	\$496,800
Total Stabilized Net Operating Income	\$802,600	\$1,296,000
Net Cost to Provide Very-Low Income Units		\$2,652,000
Value of Density Bonus and Concessions		\$2,692,000
Net Surplus/(Cost)		\$40,000

Based on the results of the financial analysis, KMA reached the following conclusions:

1. The specific concessions being requested by the Applicant are anticipated to result in identifiable and actual cost reductions as required by Section 65915 (d) (1) (A). Specifically, the estimated development costs for the Proposed Project are 10% lower than for the Base Case when measured per square foot of GBA.

2. The relationship between the net cost to provide five very-low income units and the benefits provided by the density bonus and the requested concessions can be described as follows:
 - a. The net cost to provide five very-low income units is estimated at \$2.65 million.
 - b. The benefits associated with the proposed 45% density bonus and the FAR and Building Stories Concessions are estimated at \$2.69 million.
 - c. The \$2.69 million in benefits provided by the density bonus and requested concessions exceed the \$2.65 million net cost to provide five very-low income units by \$40,000. For an approximately \$30 million project, the cost and the benefit can be considered to be approximately equal.

The City is statutorily required to grant the Applicant's request for a 45% density bonus and two incentives or concessions. It is KMA's conclusion that there is not sufficient evidence for the City to reject either the FAR Concession or Building Stories Concession being requested by the Applicant.

ANALYSIS

Section 65915 (d) (1) (A) requires the City to make a written finding, based on substantial evidence, that a specific incentive or concession being requested by the Applicant does not result in the identifiable and actual cost reductions necessary to provide for affordable housing costs. To determine whether the specific incentives or concessions being requested by the Applicant are necessary to provide five very-low income units, KMA analyzed the following scenarios:

Base Case:	
34 market rate apartment units, 3,056 square feet of ground floor commercial space and 57 parking spaces.	Development allowed under the MSSP District A Zoning Code standards for the Site.

Proposed Project:	
50 market rate apartment units, 4,000 square feet of ground floor commercial space and 95 parking spaces.	Includes a 45% density bonus, plus the FAR and Building Stories Concessions being requested by the Applicant.

The assumptions, analyses and conclusions derived from the KMA financial analyses are described in the following sections of this memorandum. The financial analysis tables are presented in Appendices that follow this memorandum. These Appendices are organized as follows:

Financial Analysis Appendices	
Appendix B:	Base Case Pro Forma Analysis
Appendix C:	Proposed Project Pro Forma Analysis
Appendix D:	Affordability Gap Analysis
Appendix E:	Rent Survey

Scope of Development

The primary assumptions used to define the scopes of development that are used in this analysis can be summarized as follows:

BASE CASE

The unit mix for the Base Case is based on a unit mix that comports with the MSSP District A Zoning Code standards which impose the following limits on development:

1. The maximum FAR is set at .8; and
2. There is a two story limit.

The key characteristics of the Base Case are:

1. The 34 apartment units are allocated to 23 one-bedroom units and 11 two-bedroom units.

2. The ground floor commercial space is set at 3,056 square feet of gross leasable area (GLA).
3. The parking consists of 12 ground level spaces and 45 subterranean spaces.

PROPOSED PROJECT

The Proposed Project is comprised of the following development scope:

1. The 50 apartment units are allocated as follows:
 - a. 30 one-bedroom units;
 - b. 18 two-bedroom units;⁵ and
 - c. 2 three-bedroom units.
2. The ground floor commercial space is set at 4,000 square feet of GLA.
3. The parking consists of 19 ground level spaces and 76 subterranean spaces.

Financial Analysis Assumptions

The following section outlines the assumptions applied in the KMA pro forma analyses.

DEVELOPMENT COST ESTIMATES

Property Acquisition Costs

KMA reviewed Los Angeles County Assessor Records to identify the price the Applicant paid to acquire the Site. Given that the Site is improved with an operating restaurant, the acquisition costs were based on the value of the land and the improvements.

The sales price identified in the Assessor Records is \$5.3 million. This equates to \$149 per square foot of land area for the 35,469 square foot Site.

⁵ The Proposed Project includes 14 identified two-bedroom units and four loft units. The December 24, 2021 development plans identify the loft units as two-bedroom units.

Direct Costs

KMA estimated the direct costs as follows:

1. The on-site improvement costs are estimated at \$20 per square foot of land area.
2. The parking costs are estimated as follows:
 - a. The costs for at grade spaces are estimated at \$5,000 per space; and
 - b. The costs for subterranean parking spaces are estimated at \$30,000 per space.
3. The building costs are estimated at \$150 per square foot of GBA for the Base Case and \$175 per square foot of GBA for the Proposed Project.
4. The tenant improvement allowance is set at \$30 per square foot of GLA.
5. An allowance equal to 20% of other direct costs is provided for contractor costs and a direct cost contingency allowance.

Indirect Costs

1. The architecture, engineering and consulting costs are estimated at 10% of direct costs.
2. The public permits and fees costs are estimated at \$10,000 per unit.
3. The taxes, insurance, legal and accounting costs are estimated at 2% of direct costs.
4. The marketing and leasing costs are estimated as follows:
 - a. The marketing costs for the residential component are estimated at \$1,500 per unit.
 - b. The marketing and leasing costs for the commercial component are estimated at \$3.00 per square foot of GLA.

5. The Developer Fee is set at 5% of direct costs.
6. A soft cost contingency allowance equal to 5% of other indirect costs is provided.

FINANCING COSTS

The financing costs are estimated as follows:

1. The interest costs incurred during the construction period are based on the following assumptions:
 - a. An 18 month construction period;
 - b. A 4.0% interest rate; and
 - c. A 100% outstanding balance on the property acquisition cost and 60% average outstanding balance on the construction costs.
2. The loan origination fees are estimated at 2.0 points, and the loan amount is based on a 60% loan to cost ratio.

STABILIZED NET OPERATING INCOME

Common Assumptions

The following common assumptions are applied to both the Base Case and the Proposed Project:

1. Residential Component:
 - a. A \$50 per unit per month allowance is provided for miscellaneous income.
 - b. A 5% vacancy and collection allowance provided.
 - c. Operating expenses are estimated as follows:
 - i. General operating expenses are estimated at \$4,000 per unit per year.

- ii. Property tax costs are estimated based on the estimated value of each scenario, and a 1.10% property tax rate.
 - iii. A \$150 per unit per year allowance is provided to fund a reserve for future capital repairs.
2. Commercial Component
- a. The rent income is estimated at \$3.15 per square foot of GLA per month on a triple net basis.
 - b. A 10% vacancy and collection allowance is provided.
 - c. A management fee equal to 3.5% of effective gross income is provided.
 - d. A \$.15 per square foot of leasable area per month allowance is provided to fund a reserve for future capital repairs.

Residential Rent Revenue Assumptions

The revenue estimates that vary between the residential components of the Base Case and the Proposed Project are as follows:

Base Case

The projected market rate rents for the Base Case are estimated as follows:

- 1. One-bedroom units at \$2,240 or \$3.73 per square foot; and
- 2. Two-bedroom units at \$3,230 or \$3.40 per square foot.

Proposed Project

The projected market rate rents are estimated as follows:

- 1. One-bedroom units at \$2,710, or \$3.74 per square foot;
- 2. Two-bedroom units at \$3,520, or \$3.39 per square foot; and
- 3. Three-bedroom units at \$5,520, or \$3.83 per square foot.

The affordable monthly rents for the very-low income units are set as follows:⁶

1. One bedroom units at \$737;
2. Two-bedroom units at \$820; and
3. Three-bedroom units at \$900.

Financial Analysis Components

The purpose of the KMA pro forma analyses is to evaluate the impacts created by the density bonus, incentives or concessions, and development standards waiver being requested by the Applicant. The pro forma analyses are presented in Appendices B and C, and are organized as follows:

Financial Analysis Organization	
Table 1:	Estimated Development Costs
Table 2:	Estimated Stabilized Net Operating Income
Table 3:	
Base Case	Return on Total Investment
Proposed Project	Net Surplus/(Costs)

The analysis of the net cost to provide five very-low income units is presented in Appendix D. As shown in Appendix D, the net cost is estimated at \$2.65 million.

CONCLUSIONS

KMA performed the following analysis to evaluate the 45% density bonus and incentives or concessions being requested by the Applicant:

1. KMA determined whether the proposed incentives or concessions result in identifiable and actual cost reductions; and

⁶ The rents are calculated using the H&SC Section 50053 methodology. The estimates are based on household incomes published in 2021 by the California Department of Housing and Community Development, and utilities allowances published by the Los Angeles County Development Authority (LACDA) on July 1, 2021.

2. KMA compared the net cost to provide five very-low income units to the benefits generated by the proposed density bonus, the FAR Concession and the Building Stories Concession.

The results of these two analysis are summarized in the following tables:

Estimated Cost Reductions			
Estimated Development Costs	Base Case	Proposed Project	Percentage Decrease
Total	\$17,736,000	\$28,601,000	
Per Square Foot of GBA	\$471	\$423	10%

Estimated Surplus / Cost to Provide the Required Affordable Housing Units	
Net Cost to Provide Five Very-Low Income Units	\$2,652,000
Value of Density Bonus & Incentives or Concessions	\$2,694,000
Effective Surplus/(Cost) to Provide Five Very-Low Income Units	\$40,000

As can be seen in the preceding tables, the proposed incentives or concessions result in identifiable and actual cost reductions. In addition, the cost to provide five very-low income units is approximately equal to the benefits associated with the proposed density bonus and incentives or concessions.

Based on the findings of the preceding analysis it is KMA’s opinion that the Applicant’s proposal meets the threshold financial tests applied by Section 65915. It is, therefore, our conclusion that there is insufficient support for the City to reject the specific incentives or concessions being requested by the Applicant under the financial evidence requirements imposed by Section 65915 (d) (1) (A).

APPENDIX A

**DEVELOPMENT STANDARDS WAIVERS
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA**

815 Fremont Avenue – Concessions and Waivers - January 26, 2022

Development Concessions Requested (Previously agreed upon by staff)

1. Concession to increase Floor Area Ratio (FAR) beyond the Mission Street Specific Plan’s allowable FAR from 0.8 to 2.0.

2. Concession to have four story building beyond the allowable three stories as allowed under the current Mission Street Specific Plan

Summary Development Waivers

Code Requirement	Waiver Requested	Justification
Building Height – Per MSSP 5.0 Table 7, Section 8.1.2, and Ordinance No. 2102 Table 7 the building height limit is 32’ with an additional 5’ pediment, totaling a height limit of 37’.	The applicant requests an additional 28’ in height, totaling 65’, including elevator tower overruns to accommodate machinery equipment. This waiver was previously agreed to by City staff.	In order to accommodate construction of 50 residential units including 5 units to be leased at the very low income level, applicant needs a waiver of the building height limitation currently in the MSSP.
Open Space Requirement – Per MSSP 7.3.5.B, the open space requirement is 275 SF per unit. The MSSP and Zoning Code do not define open space nor provide the calculation method.	Applicant is requesting a waiver of this development standard to reduce the open space requirement from 13,740 sf of Open Space to 11,703 sf of Open Space.	In order to accommodate a corner plaza, a number of balconies and common areas were eliminated from the previous design so it can construct the proposed project without reducing the total amount of open space required under the MSSP.
Courtyard Requirement – Under the MSSP 7.4.4, at least 15% of the site shall consist of a courtyard, which is approximately 5,320 sf.	Applicant is requesting a waiver of this development standard to provide 13.2% of the site for a courtyard, which is approximately 4,676 sf.	In order to accommodate a corner plaza, the project must be reconfigured and the courtyard size reduced slightly so that the proposed project can physically be constructed with a corner courtyard and without reducing the total number of units.
Number of Units Facing Courtyard Requirement – Per MSSP 7.4.4.2, the central courtyard requirement is that 15% of the site shall consist of courtyards onto which 75% of the units shall face.	Applicant is requesting a waiver of this development standard by (a) a reduction in the total courtyard coverage and (b) a reduction in the number of units facing the	Applicant is not physically able to construct 38 units facing a corner courtyard. Previously, with a central courtyard, the proposed project had two buildings with multiple units able to be face an

	<p>courtyard. Where the project is currently required to have 38 units facing courtyards, Applicant is requesting a waiver to have 33 units face the courtyard.</p>	<p>internal courtyard. However, a corner courtyard has two fewer walls and thus a reduced number of units that can face it.</p>
<p>Minimum Sized Courtyard - Per MSSP 8.6.3.1, there is a requirement of a minimum area of 2,000 sf for a courtyard.</p>	<p>Applicant is requesting a waiver of this development standard for Courtyard B on the fourth floor along Fremont Avenue.</p>	<p>Courtyard B was designed and placed on the fourth floor along Fremont Avenue to address Staff's comments on the building form and scale, and their request to step back the building massing. However, there is not enough space on the fourth floor along Fremont Avenue to construct a 2,000 square feet courtyard when the building is pulled back as requested. A smaller courtyard of only ___ sq. ft. is possible.</p>
<p>Courtyard Enclosure Requirement - Per MSSP 8.6.3.3, there is a requirement for a courtyard to be enclosed on three sides for a minimum of 75% of its perimeter by buildings, garden, structures, or solid linear landscaping.</p>	<p>Applicant is requesting a waiver of this development standard requirement for Courtyard B, which was designed and placed on the fourth floor along Fremont Avenue to address Staff's comments on the building form and scale.</p>	<p>A corner plaza by definition only can be enclosed on two sides. The construction of a 75% enclosure of Courtyard B would be thus not physically possible.</p>
<p>Inset Entrance of Commercial - Per MSSP 7.3.2.B.5, the building wall requirement where an inset entrance is allowed up to 15' within a bay.</p>	<p>Applicant is requesting a waiver of this development standard to inset the entrance of commercial space #3, and the adjacent leasing office, farther away from Mission Street at the corner of Fremont and Mission.</p>	<p>Without this waiver, the corner courtyard desired by Staff would be physically limited to 15' in depth. This would result in a plaza that does not reflect the spirit of Staff's request, nor have the physical space for units to face the courtyard as also required.</p>
<p>Courtyard Visible from the Street - Per MSSP 8.6.3.4, there is a requirement for a courtyard to be open to or visible from the street through a minimum 15foot wide opening that is open to sky and which may be fenced with a primarily transparent material. In addition, per MSSP 8.6.3.5, there is a requirement for a courtyard in a mixed-use project that is located more than 5' above grade to be</p>	<p>Applicant is requesting a waiver of this development standard at Courtyard A, which is visible from the street through a 7.5' foot wide opening that is open to the sky. In addition, the access stair to Courtyard A is fully enclosed as required for fire protection purposes. Therefore, wide access steps are not visible from the street. This is as a result of the central courtyard being re-</p>	<p>The relocation of the central courtyard to the corner makes a line of sight from the street to Courtyard A physically constrained and the required opening is thus limited in its overall width. In addition, the access stairs to Courtyard A must meet fire protection code requirements. Introducing another staircase to Courtyard A for visible purposes only requires excessive area that would make it physically</p>

visible and accessible by wide steps from the street.	designed into a corner plaza as requested by Staff.	impossible to construct the proposed project.
95% Coverage along Mission Street Requirement – Per MSSP 7.3.2.A.3, the lot frontage front building wall is required to occupy at least 95% of the lot frontage in District A.	Applicant is requesting a waiver of this development standard because the project is currently proposed to have coverage of only 105 feet of the 143 feet of lot frontage required on Mission St.,	In order to physically construct a viable and pedestrian oriented corner plaza per Staff’s request, frontage along Mission St. must be reduced below the 95% coverage requirement.

Additional Waiver Requested

Commercial Parking Requirement - Per MSSP 6.2.1.A.1, the commercial parking requirement is 4 spaces per 1,000 square feet. The parking requirements are different for restaurant (10 spaces per 1000 sf) and fast food use (12 spaces per 1000 sf).	Applicant requests a waiver and modified development standard from the additional parking requirement required from providing outdoor seating in the corner plaza.	The corner plaza was a design feature encouraged by city staff for the purpose of activating the corner of Mission Ave. and Fremont Ave. and was not required per the Mission Street Specific Plan. The developer is physically unable to construct additional parking spaces to accommodate the additional parking requirement.
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Commercial Parking Approach

In addition to the above requested waiver for the commercial parking requirement, applicant is noting that one of the “Residential ADA” parking spaces on the ground floor will be relocated to the subterranean level. This will allow the ground floor parking level to meet the requirement of 16 parking spaces pursuant to the 4 per 1000 commercial parking standard per the MSSP.

In the event a restaurant user leases the space, the applicant will allocate any required overflow parking to the subterranean parking level which has 76 parking spaces. Per the State Density Bonus Law, the residential parking requirement is 0.5 space per unit for a total of 25 parking spaces (50 units x ½ parking spaces per unit), and thus the subterranean parking level will be able to accommodate additional commercial parking should it be required.

APPENDIX B

PRO FORMA ANALYSIS
BASE CASE
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA

APPENDIX B - TABLE 1

ESTIMATED DEVELOPMENT COSTS
 BASE CASE
 815 FREMONT AVENUE
 DENSITY BONUS ANALYSIS
 SOUTH PASADENA, CALIFORNIA

I. Property Acquisition Costs	¹	35,469	Sf of Land	\$149 /Sf of Land	\$5,300,000
II. Direct Costs	²				
On-Site Improvements		35,469	Sf of Land	\$20 /Sf of Land	\$709,000
Parking					
Ground Level Parking		12	Spaces	\$5,000 /Space	60,000
1st Level Subterranean		45	Spaces	\$30,000 /Space	1,350,000
Building Costs		37,699	Sf of GBA	\$150 /Sf of GLA	5,655,000
Tenant Improvement Allowance		3,056	Sf of GLA	\$30 /Sf of GLA	92,000
Contractor/DC Contingency Allow		20%	Other Direct Costs		1,555,000
Total Direct Costs					\$9,421,000
III. Indirect Costs					
Arch, Engineering & Consulting		10.0%	Direct Costs		\$942,000
Public Permits & Fees		34	Units	\$10,000 /Unit	340,000
Taxes, Ins, Legal & Accounting		2.0%	Direct Costs		188,000
Marketing / Leasing					
Residential Component		34	Units	\$1,500 /Unit	51,000
Commercial Component		3,056	Sf of GLA	\$3.00 /Sf of GLA	9,000
Developer Fee		5.0%	Direct Costs		471,000
Soft Cost Contingency Allowance		5.0%	Other Indirect Costs		100,000
Total Indirect Costs					\$2,101,000
IV. Financing Costs					
Interest During Construction					
Land	³	\$5,300,000	Cost	4.0% Interest	\$318,000
Construction	⁴	\$12,437,000	Cost	4.0% Interest	448,000
Loan Origination Fees		\$7,462,200	Loan	2.00 Points	149,000
Total Financing Costs					\$915,000
V. Total Development Cost		37,699	Sf of GBA	\$470 /Sf	\$17,737,000
Total Construction Cost		37,699	Sf of GBA	\$330 /Sf	\$12,437,000

¹ The property acquisition costs are based on Los Angeles County Assessor information.

² Based on the estimated costs for similar uses.

³ Assumes an 18 month construction period and a 100% average outstanding balance.

⁴ Assumes an 18 month construction period and a 60% average outstanding balance.

APPENDIX B - TABLE 2
ESTIMATED STABILIZED NET OPERATING INCOME
BASE CASE
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA

Residential Component				
I. <u>Rent Income</u>				
Market Rate Units	1			
One Bedroom		23 Units	\$2,240 /Unit/Month	\$618,200
Two Bedrooms		11 Units	\$3,230 /Unit/Month	426,400
Three Bedrooms		0 Units	\$0 /Unit/Month	0
Miscellaneous Residential Income		34 Units	\$50 /Unit/Month	<u>20,400</u>
Gross Income				\$1,065,000
Vacancy & Collection Allowance		5.0% Gross Income		<u>(53,300)</u>
Effective Gross Income				\$1,011,700
II. <u>Operating Expenses</u>				
General Operating Expenses		34 Units	\$4,000 /Unit	\$136,000
Property Taxes	2	34 Units	\$5,029 /Unit	171,000
Reserves Deposits		34 Units	\$150 /Unit	<u>5,100</u>
Total Operating Expenses		34 Units	(\$9,180) /Unit	(\$312,100)
III. Stabilized Net Operating Income: Residential Component				\$699,600
Commercial Component				
I. <u>Effective Gross Income</u>				
Rent Income	3	3,056 Sf of GLA	\$3.25 /Sf of GLA	\$119,200
Vacancy & Collection Allowance		10% Rent Income		<u>(11,900)</u>
Effective Gross Income				\$107,300
III. <u>Unreimbursed Operating Expenses</u>				
Management Fees		3.5% Effective Gross Income		\$3,800
Reserves Deposits		3,056 Sf of GLA	\$0.15 /Sf of GLA	<u>500</u>
Total Unreimbursed Operating Expenses				(\$4,300)
IV. Stabilized Net Operating Income: Commercial Component				\$103,000
Total Stabilized Net Operating Income				\$802,600

¹ Market rents are estimated at a weighted average of \$3.59 per square foot of gross leasable area.

² Based on the residential net operating income capitalized at a 4.5% rate, and a 1.1% tax rate.

³ Assumes triple net leases.

APPENDIX B - TABLE 3

**RETURN ON TOTAL INVESTMENT
BASE CASE
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA**

I.	Total Stabilized Net Operating Income	See APPENDIX B - TABLE 2	\$802,600
II.	Total Development Cost	See APPENDIX B - TABLE 1	\$17,737,000
III.	Return on Total Investment		4.5%

APPENDIX C

**PRO FORMA ANALYSIS
PROPOSED PROJECT
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA**

APPENDIX C - TABLE 1

**ESTIMATED DEVELOPMENT COSTS
PROPOSED PROJECT
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA**

I. Property Acquisition Costs	¹	35,469	Sf of Land	\$149 /Sf of Land	\$5,300,000
II. Direct Costs	²				
On-Site Improvements		35,469	Sf of Land	\$20 /Sf of Land	\$709,000
Parking					
Ground Level Parking		19	Spaces	\$5,000 /Space	95,000
1st Level Subterranean		76	Spaces	\$30,000 /Space	2,280,000
Building Costs		67,659	/Sf of GBA	\$175 /Sf of GLA	11,840,000
Tenant Improvement Allowance		4,000	Sf of GLA	\$30 /Sf of GLA	120,000
Contractor/DC Contingency Allow		20%	Other Direct Costs		2,985,000
Total Direct Costs					\$18,029,000
III. Indirect Costs					
Arch, Engineering & Consulting		10.0%	Direct Costs		\$1,803,000
Public Permits & Fees		50	Units	\$10,000 /Unit	500,000
Taxes, Ins, Legal & Accounting		2.0%	Direct Costs		361,000
Marketing / Leasing					
Residential Component		50	Units	\$1,500 /Unit	75,000
Commercial Component		4,000	Sf of GLA	\$3.00 /Sf of GLA	12,000
Developer Fee		5.0%	Direct Costs		901,000
Soft Cost Contingency Allowance		5.0%	Other Indirect Costs		183,000
Total Indirect Costs					\$3,835,000
IV. Financing Costs					
Interest During Construction					
Land	³	\$5,300,000	Cost	4.0% Interest	\$318,000
Construction	⁴	\$23,301,000	Cost	4.0% Interest	839,000
Loan Origination Fees		\$13,980,600	Loan	2.00 Points	280,000
Total Financing Costs					\$1,437,000
V. Total Development Cost		67,659	Sf of GBA	\$423 /Sf	\$28,601,000
Total Construction Cost		67,659	Sf of GBA	\$344 /Sf	\$23,301,000

¹ The property acquisition costs are based on Los Angeles County Assessor information.

² Based on the estimated costs for similar uses.

³ Assumes an 18 month construction period and a 100% average outstanding balance.

⁴ Assumes an 18 month construction period and a 60% average outstanding balance.

**APPENDIX C - TABLE 2
ESTIMATED STABILIZED NET OPERATING INCOME
PROPOSED PROJECT
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA**

Residential Component				
I. <u>Rent Income</u>				
Market Rate Units	1			
One Bedroom		27 Units	\$2,710 /Unit/Month	\$878,000
Two Bedrooms		17 Units	\$3,520 /Unit/Month	718,100
Three Bedrooms		1 Unit	\$5,520 /Unit/Month	66,200
Very-Low Income Units	2			
One Bedroom		3 Units	\$737 /Unit/Month	26,500
Two Bedrooms		1 Unit	\$820 /Unit/Month	9,800
Three Bedrooms		1 Unit	\$900 /Unit/Month	10,800
Miscellaneous Residential Income		50 Units	\$50 /Unit/Month	<u>30,000</u>
Gross Income				\$1,739,400
Vacancy & Collection Allowance		5.0% Gross Income		<u>(87,000)</u>
Effective Gross Income				\$1,652,400
II. <u>Operating Expenses</u>				
General Operating Expenses		50 Units	\$4,000 /Unit	\$200,000
Property Taxes	3	50 Units	\$5,676 /Unit	283,800
Reserves Deposits		50 Units	\$150 /Unit	<u>\$7,500</u>
Total Operating Expenses		50 Units	(\$9,830) /Unit	(\$491,300)
III. Stabilized Net Operating Income: Residential Component				\$1,161,100
Commercial Component				
I. <u>Effective Gross Income</u>				
Rent Income		4,000 Sf of GLA	\$3.25 /Sf of GLA	\$156,000
Vacancy & Collection Allowance		10% Rent Income		<u>(15,600)</u>
Effective Gross Income				\$140,400
II. <u>Unreimbursed Operating Expenses</u>				
Management Fees		3.5% Effective Gross Income		\$4,900
Reserves Deposits		4,000 Sf of GLA	\$0.15 /Sf of GLA	<u>600</u>
Total Unreimbursed Operating Expenses				(\$5,500)
III. Stabilized Net Operating Income: Commercial Component				\$134,900
Total Stabilized Net Operating Income				\$1,296,000

¹ Market rents are estimated at a weighted average of \$3.59 per square foot of gross leasable area.

² Based on the standards imposed by California Government Code Section 65915, and the 2021 household incomes published by the California Department of Housing & Community Development. The monthly utilities allowances are set at \$63 for one-bedroom units; \$80 for two-bedroom units and \$100 for three-bedroom units based on LACDA utility allowances effective on July 1, 2021. Assumes gas cooking, heating, water heating; basic electric; and air conditioning.

³ Based on the residential net operating income capitalized at a 4.5% rate, and a 1.1% tax rate.

⁴ Assumes triple net leases.

APPENDIX C - TABLE 3

NET SURPLUS/(COST)
PROPOSED PROJECT
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA

I. Project Value		
Total Stabilized Net Operating Income	See APPENDIX C - TABLE 2	\$1,296,000
Threshold Return on Cost	¹	4.5%
Total Project Value		\$28,641,000
II. Total Development Cost		\$28,601,000
III. Net Surplus/(Cost)		\$40,000

¹ Based on the return on total cost estimated to be generated by the BASE CASE.

APPENDIX D

**AFFORDABILITY GAP ANALYSIS
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA**

APPENDIX D

AFFORDABILITY GAP ANALYSIS
 815 FREMONT AVENUE
 DENSITY BONUS ANALYSIS
 SOUTH PASADENA, CALIFORNIA

I. **Rent Difference**

A. **One Bedroom**

Market Rate Rent	\$2,710		
Very-Low Income Rent	<u>737</u>		
Difference	\$1,973 /Unit/Month	3 Units	\$71,000 /Year

B. **Two Bedrooms**

Market Rate Rent	\$3,520		
Very-Low Income Rent	<u>820</u>		
Difference	\$2,700 /Unit/Month	1 Unit	\$32,400 /Year

C. **Three Bedrooms**

Market Rate Rent	\$5,520		
Very-Low Income Rent	<u>900</u>		
Difference	\$4,620 /Unit/Month	1 Unit	\$55,400 /Year

Total Rent Difference **\$158,800**

II. **Less: Property Tax Difference** **(38,818)**

III. **Net Annual Affordability Gap** **\$119,982**

IV. **Net Cost to Provide Very-Low Income Units** **\$2,652,000**

¹ Based on the rent differential capitalized at a 4.5% rate, and a 1.1% tax rate.

² Based on the capitalized at the 4.5% return on cost estimated to be generated by the BASE CASE.

APPENDIX E

RENT SURVEY
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA

APPENDIX E - TABLE 1

RENT SURVEY
 815 FREMONT AVENUE
 DENSITY BONUS ANALYSIS
 SOUTH PASADENA, CALIFORNIA

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent		Year Built	
						Total	Per SF		
I. One-Bedroom Units									
Trio Apartments	44 N Madison Ave	Pasadena	91101	104	827	\$2,952	\$3.57	2004	
Avila Apartments	75 W Walnut St	Pasadena	91103	112	790	\$3,032	\$3.84	2018	
Theo	289 N El Molino Ave	Pasadena	91101	53	778	\$3,413	\$4.39	2019	
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	165	792	\$3,067	\$3.87	2016	
The Stuart at Sierra Madre Villa	3360 E Foothill Blvd	Pasadena	91107	106	719	\$2,696	\$3.75	2007	
Terraces Paseo Colorado	375 E Green St	Pasadena	91101	308	1,018	\$2,947	\$2.89	2002	
AMLI Old Pasadena	75 W Holly St	Pasadena	91103	117	795	\$3,199	\$4.02	2021	
Pasadena Gateway Villas	290 N Hudson Ave	Pasadena	91101	57	794	\$2,446	\$3.08	2002	
Thistle Apartments	262 N Los Robles Ave	Pasadena	91101	62	677	\$2,362	\$3.49	1949	
FountainGlen at Pasadena	775 E Union St	Pasadena	91101	51	604	\$2,248	\$3.72	2003	
Hudson	678 E Walnut St	Pasadena	91101	68	847	\$3,228	\$3.81	2016	
City Place	801 E Walnut St	Pasadena	91101	108	762	\$3,249	\$4.26	2001	
Luxe	1769 E Walnut St	Pasadena	91106	68	660	\$2,372	\$3.59	2016	
	Minimum				604	\$2,248	\$2.89		
	Maximum				1,018	\$3,413	\$4.39		
	Weighted Average				821	\$2,925	\$3.56		

APPENDIX E - TABLE 1

**RENT SURVEY
815 FREMONT AVENUE
DENSITY BONUS ANALYSIS
SOUTH PASADENA, CALIFORNIA**

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent		Year Built
						Total	Per SF	
II. Two-Bedroom Units								
Trio Apartments	44 N Madison Ave	Pasadena	91101	125	1,299	\$3,953	\$3.04	
Avila Apartments	75 W Walnut St	Pasadena	91103	56	1,191	\$3,916	\$3.29	
Theo	289 N El Molino Ave	Pasadena	91101	52	1,125	\$3,600	\$3.20	
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	43	1,168	\$3,927	\$3.36	
The Stuart at Sierra Madre Villa	3360 E Foothill Blvd	Pasadena	91107	82	1,129	\$3,493	\$3.09	
Terraces Paseo Colorado	375 E Green St	Pasadena	91101	56	1,411	\$3,987	\$2.83	
AMLI Old Pasadena	75 W Holly St	Pasadena	91103	202	1,193	\$4,374	\$3.67	
Pasadena Gateway Villas	290 N Hudson Ave	Pasadena	91101	68	1,102	\$2,949	\$2.68	
Thistle Apartments	262 N Los Robles Ave	Pasadena	91101	7	815	\$2,811	\$3.45	
FountainGlen at Pasadena	775 E Union St	Pasadena	91101	47	865	\$2,356	\$2.72	
Hudson	678 E Walnut St	Pasadena	91101	90	1,112	\$4,004	\$3.60	
City Place	801 E Walnut St	Pasadena	91101	86	1,117	\$3,665	\$3.28	
Luxe	1769 E Walnut St	Pasadena	91106	43	940	\$2,778	\$2.96	
	Minimum				815	\$2,356	\$2.68	
	Maximum				1,411	\$4,374	\$3.67	
	Weighted Average				1,158	\$3,750	\$3.24	
III. Three-Bedroom Units								
AMLI Old Pasadena	75 W Holly St	Pasadena	91103	30	1,456	\$6,192	\$4.25	
Pasadena Gateway Villas	290 N Hudson Ave	Pasadena	91101	9	1,179	\$3,505	\$2.97	
City Place	801 E Walnut St	Pasadena	91101	20	1,240	\$4,296	\$3.46	
	Minimum				1,179	\$3,505	\$2.97	
	Maximum				1,456	\$6,192	\$4.25	
	Weighted Average				1,341	\$5,139	\$3.83	

Source: CoStar, March 2022

APPENDIX E - TABLE 2

AFFORDABLE RENT CALCULATIONS
 2021 INCOME STANDARDS
 815 FREMONT AVENUE
 DENSITY BONUS ANALYSIS
 SOUTH PASADENA, CALIFORNIA

		<u>One Bedroom</u>	<u>Two Bedrooms</u>	<u>Three Bedrooms</u>	
I.	Area Median Income (AMI)	1	\$64,000	\$72,000	\$80,000
II.	<u>Very Low Income - Rent Based on 50% AMI</u>	2			
	Benchmark Annual Household Income		\$32,000	\$36,000	\$40,000
	Percentage of Income Allotted to Housing Expenses		30%	30%	30%
	Monthly Income Available for Housing Expenses		\$800	\$900	\$1,000
	Utilities Allowances	3	<u>(63)</u>	<u>(80)</u>	<u>(100)</u>
Maximum Allowable Rents			\$737	\$820	\$900

¹ Based on the 2021 Los Angeles County household incomes published by the California Housing & Community Development Department (HCD). The benchmark household size is set at the number of bedrooms in the unit plus one.

² Based on the Los Angeles County Development Authority utilities allowances effective as of July 1, 2021. Assumes: Gas Heating; Gas Cooking; Gas Water Heater; Basic Electric; and Air Conditioning.

³ Based on the California Health & Safety Code Section 50053 calculation methodology as required by California Government Code Section 65915 et seq..

ATTACHMENT 5

Arborist Report and Tree Removal Permit Information



McKinley & Associates (818) 240-1358

Arborist Letter

December 26, 2021

Mr. Jason Mak
1335 Old Mill Road
San Marino, CA 91108-1846

Dear Mr. Mak:

Recently you contacted me regarding your project at 815 Fremont Avenue, South Pasadena. It is my understanding that the City of South Pasadena has asked you to provide the condition of the 11 private trees scheduled to be removed in order to develop the subject property.

The following is a list of the private trees scheduled to be removed. This tree list includes the tree numbers corresponding to the tree numbers on the topographic survey, scientific name, common name, tree size/diameter as measured 4 feet from the base of the trunk and the health/condition of each tree:

- Tree #1** *Pittosporum rhombifolium* or Diamond Leaf Pittosporum; 13" dia.; Rating: C-
- Tree #2** *Pinus canariensis* or Canary Island Pine; 12" dia.; Rating: C+
- Tree #3** *Magnolia grandiflora* or Southern Magnolia; 10" dia.; Rating: B+
- Tree #4** *Washingtonia robusta* or Mexican Fan Palm; 21" dia.; Rating: C
- Tree #5** *Pinus thunbergii* or Japanese Black Pine; 12" dia.; Rating: C+
- Tree #6** *Pinus thunbergii* or Japanese Black Pine; 5" dia.; Rating: D+
- Tree #7** *Pinus canariensis* or Canary Island Pine; 15" dia.; Rating: B
- Tree #8** *Pinus canariensis* or Canary Island Pine; 25" dia.; Rating: B-
- Tree #9** *Pinus thunbergii* or Japanese Black Pine; 8" dia.; Rating: C-
- Tree #10** *Quercus agrifolia* or Coast Live Oak; 11" dia.; Rating: C+
- Tree #11** *Pinus canariensis* or Canary Island Pine; 12" dia.; Rating: C

The Topographic Survey with the corresponding tree numbers and the filled-out Private Property Tree Removal/Replacement Permit Application is included.

If you have questions, please feel free to contact me on my business cell phone at (818) 426-2432 or you may call my office phone number at (818) 240-1358.

Sincerely,

William R. McKinley

William R. McKinley, Consulting Arborist
American Society of Consulting Arborists
Certified Arborist #WE-4578A
International Society of Arboriculture

Arborists and Environmental Consultants

CITY OF SOUTH PASADENA
PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
1414 Mission Street – South Pasadena – CA 91030 – (626) 403-7240

PRIVATE PROPERTY TREE REMOVAL/REPLACEMENT PERMIT APPLICATION

Please submit plan if more than three (3) trees are involved.

Permit Fee: \$110.00, plus PERMIT #: _____
Inspection Fee: \$ 140.00

JOB SITE: 815 FREMONT AVENUE, SOUTH PASADENA

PROPERTY OWNER'S NAME: 815 FREMONT LLC

ADDRESS: 1000 EL CENTRO ST. UNIT 122 PHONE: 626/533-1942
SOUTH PASADENA, CA 91030 JASON MAK

CONTRACTOR'S NAME: N/A

ADDRESS: N/A PHONE: N/A

CITY BUSINESS LICENSE No: N/A

1. Type/Variety of Tree: PITTOSPORUM RHOMBIFOLIUM Size of Tree: 13"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: N.E. CORNER, SIDE YARD.
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)
RATING: C-

2. Type/Variety of Tree: PINUS CANARIENSIS Size of Tree: 12"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: N.E. SIDEYARD, SOUTH OF TREE #1
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)
RATING: C+

3. Type/Variety of Tree: MAGNOLIA GRANDIFLORA Size of Tree: 10"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: EAST SIDE YARD, SOUTH OF TREE #2
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)
RATING: B+

CITY OF SOUTH PASADENA
PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
1414 Mission Street — South Pasadena — CA 91030 — (626) 403-7240

PRIVATE PROPERTY TREE REMOVAL/REPLACEMENT PERMIT APPLICATION

Please submit plan if more than three (3) trees are involved.

Permit Fee: \$110.00, plus
Inspection Fee: \$ 140.00

PERMIT #: _____

JOB SITE: 815 FREMONT AVENUE, SOUTH PASADENA

PROPERTY OWNER'S NAME: 815 FREMONT LLC

ADDRESS: 1000 EL CENTRO ST. UNIT 122 PHONE: 626/533-1942
SOUTH PASADENA, CA 91030 JASON MAK

CONTRACTOR'S NAME: N/A

ADDRESS: N/A PHONE: N/A

CITY BUSINESS LICENSE No: N/A

4
1. Type/Variety of Tree: WASHINGTONIA ROBUSTA Size of Tree: 21"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: S.E. CORNER OF LOT
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)

5 RATING: C

2. Type/Variety of Tree: PINUS THUNBERGII Size of Tree: 12"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: SOUTH SIDE NEAR MISSION ST. WEST OF TREE #4
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)

6 RATING: C+

3. Type/Variety of Tree: PINUS THUNBERGII Size of Tree: 5"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: SOUTH SIDE S.W. OF TREE #5 NEAR MISSION ST.
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)

RATING: D+

CITY OF SOUTH PASADENA
PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
1414 Mission Street – South Pasadena – CA 91030 – (626) 403-7240

PRIVATE PROPERTY TREE REMOVAL/REPLACEMENT PERMIT APPLICATION

Please submit plan if more than three (3) trees are involved.

Permit Fee: \$110.00, plus
Inspection Fee: \$ 140.00

PERMIT #: _____

JOB SITE: 815 FREMONT AVENUE, SOUTH PASADENA

PROPERTY OWNER'S NAME: 815 FREMONT LLC

ADDRESS: 1000 EL CENTRO ST. UNIT 122 PHONE: 626/533-1942
SOUTH PASADENA, CA 91030

CONTRACTOR'S NAME: N/A

ADDRESS: N/A PHONE: N/A

CITY BUSINESS LICENSE No: N/A

7
1. Type/Variety of Tree: PINUS CANARIENSIS Size of Tree: 15"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: WEST SIDE PARKING LOT WEST OF TREE #3
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)

8
2. Type/Variety of Tree: PINUS CANARIENSIS Size of Tree: 25"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: PARKING LOT WEST SIDE, N.E. OF TREE #7
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)

9
3. Type/Variety of Tree: PINUS THUNBERGII Size of Tree: 8"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: PARKING LOT WEST SIDE NORTH OF TREE #8
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)

RATING: C-

CITY OF SOUTH PASADENA
PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
1414 Mission Street – South Pasadena – CA 91030 – (626) 403-7240

PRIVATE PROPERTY TREE REMOVAL/REPLACEMENT PERMIT APPLICATION

Please submit plan if more than three (3) trees are involved.

Permit Fee: \$110.00, plus
Inspection Fee: \$ 140.00

PERMIT #: _____

JOB SITE: 815 FREMONT AVENUE, SOUTH PASADENA

PROPERTY OWNER'S NAME: 815 FREMONT LLC

ADDRESS: 1000 EL CENTRO ST., UNIT 122 PHONE: 626/533-1942
SOUTH PASADENA, CA 91030 JASON MAK

CONTRACTOR'S NAME: N/A

ADDRESS: N/A PHONE: N/A

CITY BUSINESS LICENSE No: N/A

10
1. Type/Variety of Tree: QUERCUS AGRIFOVA Size of Tree: 11"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: WEST PARKING LOT, WEST OF TREE #9
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)

11
2. Type/Variety of Tree: PINUS CANARIENSIS Size of Tree: 12"
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: PARKING LOT ENTRANCE NEAR HOPE STREET
(specific location of tree on property i.e. front yard, side yard, etc.) NORTH OF TREE #10

List Reasons for requesting this tree removal: SITE DEVELOPMENT
(include all conditions warranting the removal)

3. Type/Variety of Tree: _____ Size of Tree: _____
(trees 4" in diameter or greater are Mature trees) (diameter of tree measured 4' from base of trunk)

Location: _____
(specific location of tree on property i.e. front yard, side yard, etc.)

List Reasons for requesting this tree removal: _____
(include all conditions warranting the removal)

ATTACHMENT 6

Technical Studies

- a. Traffic Analysis ([Link](#))
- b. Noise Analysis ([Link](#))
- c. Air Quality Analysis ([Link](#))
- d. Hydrology and LID Report ([Link](#))
- e. Water System Design Report ([Link](#))
- f. Hydraulic Analysis ([Link](#))

ATTACHMENT 7

Zoning/Development Standards Table

Attachment 7
815 Fremont Avenue - Zoning and Development Standards Analysis

<u>Zoning Code</u>	<u>Allowed</u>	<u>Existing</u>	<u>Proposed</u>
Zoning	Mission Street Specific Plan	Mission Street Specific Plan	No zone change proposed
Minimum Lot Size	No minimum required	35,469	No change
Minimum Lot Width	No minimum specified	152.8'	No change
Maximum Lot Coverage	No maximum specified	N/A	
Maximum Floor Area Ratio (FAR)	.8	N/A	1.86* *Increased FAR allowable through Incentives/Concessions under Government Code 65915
Maximum Number of Stories	2	N/A - 1	4* *Additional stories allowable through Incentives/Concessions under Government Code 65915
Maximum Height	32'	N/A	57' to tallest point of elevator tower 52' to tallest point of parapet
Building Form MSSP 7.3.2	A1. Front building wall shall be at least 24' high A2. Front building wall shall be located within five feet of the lot line or of the setback line established by existing Historic Resources along the Block Face on which the building is located, whichever is greater A3. Front building wall shall occupy at least 95% of the lot frontage B1. First floor of the building wall(s) facing a street on which pedestrian-oriented uses are required (Mission	N/A	Complies- height of wall fronting Mission Street ranges from 27'9" to 30'7" Complies- front building wall ranges from approximately 2'5" to 7" from property line Does not comply due to corner plaza provided. Allowable through waivers process Complies

	<p>Street) shall be designed as a series of storefronts with characteristics identified in Chapter 8</p> <p>B2. First floor of the building wall(s) facing a street on which pedestrian-oriented uses are permitted (Fremont Avenue) shall be designed as a series of storefronts if the ground-floor areas are non-residential</p> <p>B3. Each individual non-residential tenant space located on the ground floor shall have at least one entrance directly from the street on which Pedestrian-Oriented Uses are required or permitted</p> <p>B4. At least one entrance from the street on which Pedestrian-Oriented Uses are required or permitted must be provided for every three storefront bays</p> <p>B5. The building wall may have an inset entrance, ie, the display windows and door may be set back up to 15 feet within the bay</p>	<p>N/A</p>	<p>N/A</p> <p>Complies</p> <p>Complies</p> <p>N/A Applicant has requested development standards waiver to set part of the building back to accommodate the corner plaza</p>
<p>Parking Location</p> <p>MSSP 7.3.3</p>	<p>A. Surface or ground-floor structure parking must be located behind ground-floor space on Mission Street</p> <p>B. Where structure parking is located above ground floor along any public street, either a) habitable floor space must be located in front of the parking or b) the parking structure must be architecturally integrated into the overall building design</p>	<p>N/A</p> <p>N/A</p>	<p>Complies</p> <p>N/A</p>

<p>Vehicular Access</p> <p>MSSP 7.3.4</p>	<p>A new building shall not have vehicular access from Mission Street, except for that a new building that fronts on both Mission Street and Fremont Avenue must have its primary vehicular access from Fremont Avenue and may have one secondary access from Mission Street</p>	<p>N/A</p> <p>Carrow’s site is currently accessed via Mission Street, Fremont Avenue, and Hope Street</p>	<p>Complies</p> <p>No access is provided from Mission Street</p> <p>The primarily commercial-serving at-grade parking garage (19 spaces total) will take access from Fremont Avenue</p> <p>The primarily residential parking garage (76 spaces) that is below-grade will take access from Hope Street</p>
<p>Residential Portions Mixed-Use Projects</p> <p>MSSP 7.3.5</p>	<p>A. Side and Rear Yards. Residential floor space which is located directly above ground floor commercial space in a mixed-use building shall be exempt from side yards requirements. All other residential portions of a mixed-use building shall have side and rear yard setbacks in accordance with the provisions of 7.4.2</p> <p>B. On-Site Open Space. Open space for residential portions of a mixed-use building shall be as specified in 7.4.4 except that open space per unit may be a minimum of 275 sf per unit</p>	<p>N/A</p> <p>N/A</p>	<p>Complies</p> <p>13,470 sf of open space required, 11,703 sf of open space provided</p> <p>Allowable via development standards waiver requested pursuant to State law- CA Gov Code Section 65915</p>
<p>Off-Street Parking</p>	<p>Commercial: Minimum of 4 spaces per 1,000 sf of GFA</p> <p>Restaurant: Once restaurants constitute one-third of the total lot frontage on which commercial uses are permitted, 10 spaces per 1,000 sf of GFA</p> <p>Fast Food Restaurant:</p>	<p>N/A</p>	<p>Per the City’s standards, the residential portion of the project would require a total of 70 parking spaces- 30 spaces for the 30 one-bedroom units and 40 spaces total for the 18 two-bedroom units and 2 three-bedroom units</p> <p>However, pursuant to state density bonus law (Government Code</p>

	<p>12 spaces per 1,000 sf of GFA, regardless of % of frontage occupied</p> <p>Commercial Uses on Sidewalks: Sidewalk areas in the PROW or portions of a parcel that are open to the street and within 15 feet of the property line along street frontages on which Pedestrian Oriented Uses are required shall not be included as Gross Floor Area for the purpose of calculating required parking. All other outdoor use areas, including dining areas, shall be included as Gross Floor Area</p> <p>Residential: 1 space required for each one bedroom unit- shall not be in tandem</p> <p>2 spaces required for units with 2 or more bedrooms – may be in tandem</p>		<p>Section 65915(p)2(A) the project is only required to provide ½ space per residential unit (only 25 spaces required for 50 total units provided)</p> <p>The applicant has submitted a development standards waiver request to exclude the outdoor seating area (corner plaza) from the parking requirements</p> <p>At a ratio of 4 per 1,000 sf of GFA, the gross interior commercial area of 3,769 sf would require 16 parking spaces</p> <p>41 total parking spaces are required (25 for residential + 16 for commercial)</p> <p>95 total parking spaces are provided</p> <p>15 parking spaces are designated on the plans for commercial uses 80 parking spaces are designated on the plans for residential uses</p> <p>A condition of approval is provided to require that the developer xyz...</p>
<p>Bicycle Parking</p>	<p>Minimum of 1 secured bicycle space for each automobile space</p>	<p>N/A</p>	<p>95 parking spaces are provided, but only 41 spaces are required (16 spaces for the commercial component and 25 spaces per the residential component)</p> <p>56 secured bicycle parking spaces are provided, which exceeds the minimum parking requirements</p>

ATTACHMENT 8

Public Comments ([Link](#))