CALIFORNIA COASTAL COMMISSION

South Coast Area Office 200 Oceangate, Suite 1000 Long Beach, CA 90802-4302 (562) 590-5071



W17a

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November 2, 2015

TO: Coastal Commissioners and Interested Parties

FROM: South Coast District Staff

SUBJECT: ADDENDUM TO ITEM W17a, COASTAL DEVELOPMENT PERMIT APPLICATION NO. 5-14-1932 FOR THE COMMISSION MEETING OF WEDNESDAY, NOVEMBER 4, 2015.

I. Applicant's Letters and Briefing Booklet

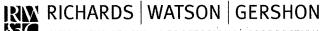
The Commission received letters from the applicant's attorney dated September 2, 2015 and October 15, 2015 indicating that the project is consistent with the Coastal Act and was supported by the Venice Neighborhood Council in 2013. Both of these issues were analyzed in the staff report and the letters do not raise any new issues. The Commission also received a briefing booklet from the applicant's representative on October 26, 2015, which indicated that the applicant agrees with staff's recommendation and requests that the Commission approve the project.

II. Public Correspondence

The Commission received a letter urging the Commission to deny the application, signed by the Coalition for Economic Survival, Keep Neighborhoods First, Los Angeles Alliance for a New Economy, People Organized For Westside Renewal, Unite Here Local 11, Venice Action Alliance, Venice Coalition to Preserve Our Unique Community Character, and Venice Community Housing, as well as 129 individuals. A separate petition with 200 individuals' names asks the Commission not to hear the subject application in Half Moon Bay because of the travel burden placed on the Venice community.

The application was previously scheduled for the Commission's August meeting in San Diego, but was postponed by Commission staff in order to continue working with the applicant to address outstanding issues. It was then scheduled for the Commission's October meeting in Long Beach, but was postponed by the applicant. The applicant has already granted a 90 day time extension and the 270th day from the date the application was filed is December 5th, which does not allow the item to be postponed again (the next Commission meeting is December 9-11, 2015). Under the Permit Streamlining Act, the Commission cannot delay action beyond the 270th day.

Additional letters in opposition to the project were submitted by the housing advocacy group People Organized For Westside Renewal, by Robin Rudisill, and by former president of the Venice Neighborhood Council Linda Lucks. Those letters indicate that the project is not consistent with the affordable and market rate housing provisions of the Mello Act and the Venice Land Use Plan, and would set a precedent which would prejudice the certification of an LCP for Venice. Ms. Rudisill's letter indicates that she was not serving on the Venice Neighborhood Council when the project was approved in 2013 and Ms. Lucks letter expresses her sincere regret for the Council's action to recommend approval of the application, arguing that it was short-sighted and that the Council did not intend to set a precedent for conversion of rental housing into hotel use. No new substantive Coastal Act related issues are raised in these letters which were not already addressed in the staff report.



NC ATTORNEYS AT LAW – A PROFESSIONAL CORPORATION

355 South Grand Avenue, 40th Floor, Los Angeles, California 90071-3101 Telephone 213.626.8484 Facsimile 213.626.0078

RICHARD RICHARDS October 15, 2015

VIA ELECTRONIC MAIL

Zach Rehm Coastal Program Analyst California Coastal Commission South Coast Area Office 200 Oceangate, Suite 1000 Long Beach, CA 90802-4302

Re: Application 5-14-1932 (Carl Lambert)

Dear Zach:

I write for two reasons. First, we wanted to make sure that you have a copy of the attached May 15, 2013 letter from the Venice Neighborhood Council (VNC), which advised the City Planning Department of the VNC's unanimous April 16, 2013 vote to approve the change of use currently before the Commission, a vote joined in by Ms. Rudisill. The motion approved stated: "The VNC approves this project as presented (change of use from Apartments to Hotel) and appreciates the applicant's sensitivity to preserving the building."

The second reason relates to the filing fee which we understand will be addressed in the upcoming Staff Report for the above application and in the Special Conditions. We thought it helpful to provide more information on that issue.

As you know, Mr. Lambert purchased 2 Breeze in February 2007 from a bankruptcy trustee. At that time, the property was substantially vacant and in serious disrepair. After receiving a CDP exemption and building permit, Mr. Lambert proceeded with his remodel of the building, preserving its historic character while installing new plumbing, electrical, and kitchens. The work was completed in July 2008. To fill the building, he then began to rent both short-term and longer-term rentals. In May 2009, LAHD filed a complaint for the short term rentals. That complaint, however, was subsequently dismissed.

HARRY L. GERSHON (1922–2007) STEVEN L. DORSEY WILLIAM L. STRAUSZ MITCHELL E, ABBOTT GREGORY W. STEPANICICH QUINN M. BARROW CAROL W. LYNCH GREGORY M. KUNER THOMAS M. JIMBO ROBERT C. CECCON STEVEN H. KAUFMANN KEVIN G. ENNIS ROBIN D. HARRIS KOBIN D. HARRIS MICHAEL ESTRADA LAURENCE S. WIENER B. TILDEN KIM SASKIA T. ASAMURA KAYSER O. SUME PETER M. THORSON JAMES L. MARKMAN CRAIG A. STEELE T. PETER PIERCE TERENCE R. BOGA LISA BOND LISA BOND ROXANNE M. DIAZ JIM G. GRAYSON ROY A. CLARKE MICHAEL F. YOSHIBA REGINA N. DANNER PAULA GUTIERREZ BAEZA DOUTE W. CAU DUWY BRUCE W. GALLOWAY DIANA K. CHUANG PATRICK K. BOBKO NORMAN A. DUPONT DAVID M. SNOW LOLLY A. ENRIQUEZ GINETTA L. GIOVINCO TRISHA ORTIZ CANDICE K. LEE JENNIFER PETRUSIS STEVEN L. FLOWER TOUSSAINT S. BAILEY AMY GREYSON DEBORAH R. HAKMAN D. CRAIG FOX MARICELA E. MARROQUÍN SERITA R. YOUNG SEAN B. GIBBONS AARON C. O'DELL AMANDA L. CHARNE STEPHANIE CAO PATRICK D. SKAHAN STEPHEN D. LEE YOUSTINA N. AZIZ BRENDAN KEARNS KYLE H. BROCHARD NICHOLAS R. GHIRELLI ISRA SHAH CHRISTINA L. BROWNING ISAAC M. ROSEN ROMTIN PARVARESH

GLENN R. WATSON (1917~2010)

OF COUNSEL ROCHELLE BROWNE TERESA HO-URANO GENA M. STINNETT

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TEMECULA OFFICE TELEPHONE 951.695.2373 Zach Rehm October 15, 2015 Page 2

The building progressively transitioned to the transient occupancy residential, *i.e.*, hotel use now proposed. In 2012, Mr. Lambert was again cited by LAHD and required to do make further improvements to the building -- an ADA room remodel chair lift and Fire Life safety upgrades to the building, including sprinklers and a roof fire escape. As you know, he also pursued his Mello Act compliance with the City, which, between the staff of LAHD and City Attorney's office, took approximately a year, and then his application to the City for CDP. As noted, the VNC approved the change of use in April 2013. The City Zoning Administrator approved the CDP in May 2013. The City apparently then misfiled its notice of final action and it was not sent to Mr. Lambert until 17 months later in November 2014. Mr. Lambert then promptly filed this application with the Commission in December 2014.

Section 13055(d) of the Commission's regulations does authorize an enhanced filing fee in the case of an after-the-fact (ATF) permit for unpermitted development. That fee can range from between two and five times the amount of the basic filing fee, and we assume the higher multiple is reserved for the most egregious Coastal Act violations (e.g., intentional and knowing violations and those which result in serious harm to coastal resources). Here, while we understand that Staff believes an enhanced filing fee is appropriate, and Mr. Lambert accepts that, we believe that an enhanced fee double the amount of the regular filing fee would be appropriate. The unpermitted development in this case was not intentional or knowing. It began as an effort to weather the recession. There was certainly some confusion at the City level regarding the nature of the use and applicable regulatory requirements. The initial interior work done was lawful and permitted. It was the transition to the short-term rental use which prompted both the City and Commission CDP applications under the dual permit process, and, to the extent possible, Mr. Lambert was diligent and cooperative in pursuing those applications. In addition, we appreciate Staff's review of this application to the Commission and believe despite the fact that the application is after-the-fact, the level of staff time necessary to process this application is the same as would be devoted to the usual processing of a timely application for a regular permit.

Finally, this is an unusual circumstances because the use at issue amounts to a change from a low-priority residential use to a higher priority visitor-serving use and, as the VNC noted in its motion, the applicant here exercised sensitivity in restoring and rehabilitating this historic building on the Boardwalk and thus preserving its character and sense of history. The use has not harmed coastal resources, but rather

Zach Rehm October 15, 2015 Page 3

has benefited them. It has enabled more visitors to enjoy the coast in Venice and helped activate the Boardwalk and the surrounding area, thus not only making the historic structure more attractive and increasing its longevity, but making the area safer for coastal visitors. Further, it must be said that the rates charged for these short term rental units are very low for short term stays on the beachfront, as compared to the other high cost overnight accommodations available in this area, and the units include a number of amenities that further reduce the cost of a stay to visitors (*e.g.*, kitchens, rooftop barbeque, fold-out couches, roll-away beds, free bikes, etc.)

We hope this additional information is helpful to you in determining the fee amount.

Very truly yours, Steven H. Kaufmann

Enclosure

Cc: Jack Ainsworth, Senior Deputy Director Steve Hudson, District Director Teresa Henry, District Director Chuck Posner, Planning Supervisor Al Padilla, Regulatory Permits Supervisor Carl Lambert Susan McCabe

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Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / www.VeniceNC.org Email: info@VeniceNC.org / Phone or Fax: 310.606.2015



May 15, 2013

Via email: Greg.Shoop@lacity.org Los Angeles Planning Department 200 N. Spring Street Los Angeles, CA 90012-2601

Subject:CHANGE OF USE FROM EXISTING APARTMENT BUILDING
TO HOTELProject Address:2 BREEZE AVENUE

Case Number: ZA-2012-2841-CDP-CU-ZV-MEL

Applicant: Venice Breeze Suites

Madam/Sir:

Please be advised that at a regularly held public meeting of the Venice Neighborhood Council's Board of Officers on April 16, 2013, upon the recommendation of our Land Use and Planning Committee ("LUPC"), the Board of Officers voted to approve the following motion:

The Venice Neighborhood Council supports the Change of Use, as presented:

MOTION: The VNC approves this project as presented (change of use from Apartments to Hotel) and appreciates the applicant's sensitivity to preserving the building.

Please see attached Staff Notes from Community Outreach Meeting held February 9, 2013 at the Westminster Senior Center at 10:00 AM. Supporting files can be found at <u>www.cityhood.org</u> and <u>www.VeniceNC.org</u>.

Please provide a copy of the decision letter to the Venice Neighborhood Council, Post Office Box 550, Venice, California 90294, or electronically to <u>Board@VeniceNC.org</u> and <u>LUPC@VeniceNC.org</u>.

Thank you for your attention to this matter.



Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / www.VeniceNC.org Email: info@VeniceNC.org / Phone or Fax: 310.606.2015



Very truly yours,

Inda Lucks

Linda Lucks President Venice Neighborhood Council

TO:

Planning and Zoning Departments: Greg.Shoop@lacity.org Antonio.isaia@lacity.org

CC:

Applicant: Carl Lambert 2 Breeze Suites Venice, CA 90291

California Coastal Commission: Chuck Posner, <u>cposner@coastal.ca.gov</u>

Councilmember Rosendahl's Office: bill.rosendahl@lacity.org whitney.blumenfeld@lacity.org arturo.pina@lacity.org

Venice Neighborhood Council, <u>board@venicenc.org</u> Jake Kaufman, Chair of Land Use and Planning Committee, <u>Jake@Jake90291.com</u> Secretary of Venice Neighborhood Council, <u>secretary@venicenc.org</u> Linda Lucks, President Venice Neighborhood Council, <u>presidentvnc@gmail.com</u>



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September 2, 2015

RICHARD RICHARDS (1916–1988)

GLENN R. WATSON (1917-2010)

HARRY L. GERSHON (1922–2007)

STEVEN L. DORSEY WILLIAM L. STRAUSZ MITCHELL E. ABBOTT GREGORY W. STEPANICICH QUINN M. BARROW CAROL W. LYNCH GREGORY M. KUNERT THOMAS M. JIMBO ROBERT C. CECCON STEVEN H. KAUFMANN KEVIN G. ENNIS ROBIN D. HARRIS ROBIN D. HARRIS MICHAEL ESTRADA LAURENCE S. WIENER B. TILDEN KIM SASKIA T. ASAMURA KAYSER O. SUME PETER M. THORSON JAMES L. MARKMAN CRAIG A, STEELE T. PETER PIERCE TERENCE R. BOGA LISA BOND POYANDER M. DIA? LISA BOND ROXANNE M. DIAZ JIM G. GRAYSON ROY A. CLARKE MICHAEL F. YOSHIBA REGINA N. DANNER PAULA GUTIERREZ BAEZA BBIUE W. GAULOWAY BRUCE W. GALLOWAY DIANA K. CHUANG PATRICK K. BOBKO NORMAN A. DUPONT DAVID M. SNOW LOLLY A. ENRIQUEZ GINETTA L. GIOVINCO TRISHA ORTIZ CANDICE K. LEE JENNIFER PETRUSIS STEVEN L. FLOWER TOUSSAINT S, BAILEY AMY GREYSON DEBORAH R. HAKMAN D. CRAIG FOX MARICELA E. MARROQUÍN SERITA R. YOUNG SEAN B. GIBBONS AARON C. O'DELL AMANDA L. CHARNE STEPHANIE CAO PATRICK D. SKAHAN STEPHEN D. LEE YOUSTINA N. AZIZ BRENDAN KEARNS KYLE H. BROCHARD NICHOLAS R. GHIRELLI ISRA SHAH CHRISTINA L, BROWNING ISAAC M. ROSEN ROMTIN PARVARESH OF COUNSEL

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TEMECULA OFFICE TELEPHONE 951.695.2373 Zach Rehm Coastal Program Analyst California Coastal Commission South Coast Area Office 200 Oceangate, Suite 1000 Long Beach, CA 90802-4302

Re: Application No. 5-14-1932 (Venice Breeze Suites)

Dear Zach:

Thank you for meeting with Venice Breeze Suites team last week. During the meeting, we had a good discussion on the issue of whether the Commission has some sort of retained or new jurisdiction over the issue of affordable housing in Venice. We discussed whether affordable housing is somehow subsumed under the reference to "community character" in the Venice LUP and the question of whether the Commission has authority to require a set-aside of additional restricted rental units beyond the Mello determination made by the City of Los Angeles. I provided our view – a view consistently recognized by the Commission and echoed by your Chief Counsel at the August 2015 meeting – that the Commission no longer has jurisdiction over affordable housing in the coastal zone. I went through both the Coastal Act and the LUP in some detail and addressed related issues, and you asked that I provide that to you in writing.

This letter is directed only to the affordable housing issue. We hope the analysis below helps inform your Staff Recommendation on the Venice Breeze Suites Project. Because the issue addressed here is one of jurisdiction, we would appreciate Staff including this letter as one of the initial exhibits to the Staff Report.

Background

The City undertook Mello Act Compliance review with respect to the Venice Breeze Suites Project pursuant to Government Code sections 65590 and 65590.1. On September 14, 2012, the Los Angeles Housing Department ("LAHD") issued its Mello Determination Memorandum which concluded that there is one affordable unit (#308) on the subject property. That determination, we note, was copied to Richard A. Rothchild of the Western Center on Law and Poverty, Inc., and Susanne Browne

of the Legal Aid Foundation of L.A. On May 20, 2013, the City Zoning Administrator approved, subject to conditions, the Venice Breeze Suites Project and also Mello Act Compliance review. As to the latter, the Zoning Administrator imposed Condition No. 8, which requires the owner to record a covenant with LAHD to restrict one unit for moderate income use, and the Zoning Administrator concluded that "[a]s conditioned, the project is consistent with the Mello Act." (City Findings, p. 13.) The City, the local government with exclusive jurisdiction over affordable housing in the coastal zone, did its job.

As discussed below, while some commenters concerning the Project have questioned whether the City properly made its Mello Act determination, the issue is not properly directed to the Commission. The Legislature made that clear in Coastal Act section 30607.2(c) and nothing in the certified LUP states or suggests to the contrary.

The Coastal Act - SB 626 (the "Mello Act")

As you know, from 1977 to 1981, the Coastal Act included specific policy language requiring the provision of affordable housing in the coastal zone for persons of low and moderate income. As originally enacted, Section 30213 of the Coastal Act provided:

"Lower cost visitor and recreational facilities *and housing opportunities for persons of low and moderate income* shall be protected, encouraged, and, where feasible, provided." (Emphasis added.)

In 1981, Senator Henry Mello introduced SB 626, sponsored by the League of Cities. SB 626 (Ch. 1007 Statutes of 1981) repealed the Commission's statutory authority to protect and provide affordable housing in the coastal zone by amending PRC Section 30213 to delete the italicized language above, and by adding several new provisions to the Coastal Act, including one dealing with LCPs and another dealing with permits.

Section 30500.1 was added to the Coastal Act to state: "No local coastal program shall be required to include housing policies and programs."

Importantly, and directly applicable here -a CDP matter before the Commission, Section 30607.2(c) was also added to the Act to state:

> "No new coastal development permit . . . shall be denied, restricted, or conditioned by the commission in order to implement housing policies or programs."

Despite the balance of the discussion below, Section 30607.2(c) is the beginning and the end of the issue on the status of Commission jurisdiction over affordable housing: A CDP cannot be denied, restricted, or conditioned by the Commission to implement a housing policy or program.

Instead, SB 626 added Government Code Section 65590, which shifted the responsibility for regulating affordable housing in the coastal zone to local government. In simple terms, Section 65590, which supplements the housing elements law, prohibits local governments in the coastal zone from authorizing "[t]he conversion or demolition of existing residential dwelling units occupied by persons and families of low or moderate income, ... unless provision has been made for the replacement of those dwelling units with units for persons and families of low or moderate income." (Govt. Code, § 65590(b); *Venice Town Council, Inc. v. City of Los Angeles* (1996) 47 Cal.App.4th 1547, 1553.)

Thus, while prior to 1981, the Commission regulated affordable housing in the coastal zone, since 1981 it has neither required LCPs to include housing policies or programs nor denied, restricted, or conditioned CDPs to implement a housing policy or program. The Mello Act delegated the responsibility for regulating affordable housing exclusively to local government.

The Certified Venice LUP

As noted, during our meeting broad reference was made to "community character" and the question of whether that reference in the Venice LUP means that the Commission somehow now has jurisdiction to regulate affordable housing in Venice. I thought it would be helpful to actually go through the LUP to address this issue, noting as well that since 1981, with the enactment of SB 626, the numerous City of Los Angeles Mello determinations since then, and the Commission's certification of the Venice LUP in June 2001, the Commission has never taken the position that it has regulatory authority over affordable housing, either in Venice or anywhere else in the coastal zone.

The starting place is Page I-2 of the Commission-certified LUP, which states, in relevant part:

"Since 1979 [actually 1981], the Coastal Act has been amended to remove the policies that related to the protection of affordable housing in the coastal zone. The responsibility for carrying-out the provisions of Government Code Section 65915 (Affordable Housing) now rests with local government." (Emphasis added.)

Thus, the LUP itself explains that the responsibility for carrying out the Mello Act rests exclusively with the City.

The introduction to the LUP also includes a "Summary of Venice Coastal Issues." This includes "Preservation of Venice as a Special Coastal Community," and in that context, it includes "Preservation of <u>community character</u>, scale and architectural diversity." (LUP, p. I-4; emphasis added.) This issue area is discussed further in the LUP, as noted below.

The LUP provides: "The policy groups covered by this part of the LUP address the following Sections of the California Coastal Act, which are included as part of the Land Use Plan" (Page II-2), followed by sections of the Coastal Act, none of which pertain to affordable housing. One section cited is Section 30253, which includes a policy provision for special communities and neighborhoods, but, again, not for affordable housing. Section 30253 states: "Where appropriate, protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses." (Emphasis added.)

The LUP also includes provisions for "Replacement of Affordable Housing." However, those provisions are specifically keyed to the Mello Act, which confers jurisdiction on the local governments to regulate affordable housing. Policy I.A.9 begins: "Per the provisions of Section 65590 of the State Government Code" The affordable housing provisions are, nonetheless, significant because it reminds the City that it has the responsibility for regulating affordable housing in its coastal zone.

Lastly, Policy I.E.1 addresses the "Preservation of Venice as a Special Community." It is in the context of this Policy that "community character" is addressed. However, it is not addressed in the context of affordable housing, but rather in terms of the physical development of Venice. Policy I.E.1 states:

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> "General. Venice's unique <u>social</u> and architectural diversity <u>should</u> be protected as a Special Coastal Community <u>pursuant to Chapter 3 of the</u> <u>California Coastal Act of 1976</u>." (Emphasis added.)

The highlighted portions of this policy bear mention. First, some commenters on the Project have seized on the term "social" as meaning "affordable housing." Had the intent been to address affordable housing through that term, the LUP could simply have stated so, as in the provisions dealing specifically with affordable housing. It did not. Second, the policy uses the word "should," not the mandatory term "must." Finally, and most importantly, the context is that the protection to which the policy refers is "pursuant to Chapter 3 of the California Coastal Act of 1976." In 1981, Chapter 3 was amended to <u>eliminate</u> the affordable housing policy language in the Coastal Act. Accordingly, nothing in this policy can be read to reestablish Commission jurisdiction over affordable housing, especially in light of Section 30607.2(c), which again makes clear:

"No new coastal development permit . . . shall be denied, restricted, or conditioned by the commission in order to implement housing policies or programs."

Policy I.E.2 is the more specific policy provision in this portion of the LUP. It deals with scale:

"Scale. New development within the Venice Coastal Zone shall respect the scale and <u>character of community development</u>. Buildings which are of a scale compatible with the community (with respect to bulk, height, buffer and setback) shall be encouraged. All new development and renovations should respect the scale, massing, and landscape of existing residential neighborhoods. Lot consolidations shall be restricted to protect the scale of existing neighborhoods. Roof access structures shall be limited to the minimum size necessary to reduce visual impacts while providing access for fire safety. In visually sensitive areas, roof access structures shall be set back from public recreation areas, public walkways, and all water areas so that the roof access structure does not result in a visible increase in bulk or height of the roof line as seen from a public recreation area, public walkway, or water area. No roof access structure shall exceed the height limit by more than ten (10') feet. Roof deck enclosures (e.g., railings and parapet walls) shall not

exceed the height limit by more than 42 inches and shall be constructed of railings or transparent materials. Notwithstanding other policies of this LUP, chimneys, exhaust ducts, ventilation shafts and other similar devices essential for building function may exceed the specified height limit in a residential zone by five feet."

The reference to "community character" in the Summary of Venice Coastal Issues," noted above, is made more specific here in the policy itself -- "character of community development." It is about architecture and neighborhood compatibility. This is brought home by the "Implementation Strategies" which follow, where the LUP explains:

"The LIP shall include development regulations and procedures (<u>with respect</u> to bulk, scale, height, setbacks, density, landscaping and types of use) to implement those policies." (Emphasis added.)

And this is followed by additional policies, I.E.3 through I.E.5, which address architecture, redevelopment, and nonconforming structures. The latter policy is telling because it specifically distinguishes between "community character" and "affordable housing," underscoring that they are not synonymous. Policy I.E.5 states, in part:

"Unless the City finds that it is not feasible to do so, the project must result in bringing the nonconforming structure into compliance with the current standards of the certified LCP, unless in its nonconformity it achieves a goal associated with <u>community character (i.e., reuse and renovation of a historic structure) or affordable housing</u> that could not be achieved if the structure conforms to the current standards of the certified LCP." (Emphasis added.)

Thus, there is nothing in the LUP that confers jurisdiction on the Commission to re-regulate affordable housing. The Commission plainly recognized this when it certified the Venice LUP, which, as noted, explains: "The responsibility for carrying-out the provisions of Government Code Section 65915 (Affordable Housing) now rests with local government." Since certification in 2001, the Commission has not exercised jurisdiction over the issue or second-guessed a Mello determination made by the City as part of its exclusive responsibility under the housing element law.

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Zach Rehm September 2, 2015 Page 7

Reliance on the certified LUP would be misplaced for yet a further reason. The City does not have a fully certified LCP for the Venice area. Consequently, at most, the LUP would serve as guidance to the Commission concerning application of the Chapter 3 policies of the Coastal Act. The policies of Chapter 3 of the Act would instead control review. Here, if anything, the guidance provided by the City's certified LUP is (1) "the responsibility for carrying-out the provisions of Government Code Section 65915 (Affordable Housing) now rests with local government" (Page I-2); (2) "The policy groups covered by . . . the LUP" do not include any policies dealing with affordable housing (Page II-2); and (3) the reference in the LUP to "community character" has nothing to do with affordable housing. Indeed, even if the LUP were part of a fully certified LCP, Section 30607.2(c) of the Coastal Act itself makes clear that "No new coastal development permit . . . shall be denied, restricted, or conditioned by the commission in order to implement housing policies or programs."

Conclusion

We again wanted to thank you for taking the time to discuss the Venice Breeze Suites Project. Hopefully, the foregoing discussion sheds more light on the affordable housing issue as it relates to the Project and the Commission's jurisdiction. We look forward to continuing to work with Staff towards approval of the Project.

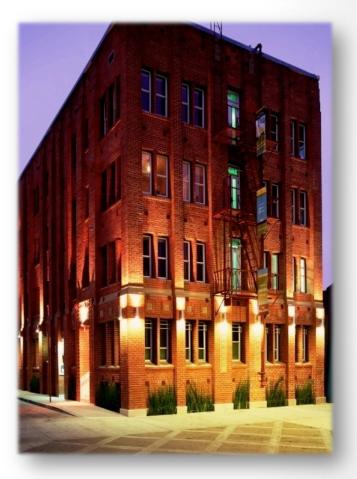
Very traly yours, Steven H. Kaufinahn

cc: Dr. Charles Lester Chris Pederson, Esq. Jack Ainsworth Steve Hudson Teresa Henry Chuck Posner Al Padilla Jamee Jordan Patterson, Esq. Carl Lambert Susan McCabe

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Venice Breeze Suites CDP Application No. 5-14-1932

> CCC Hearing November 4, 2015 Item W17a

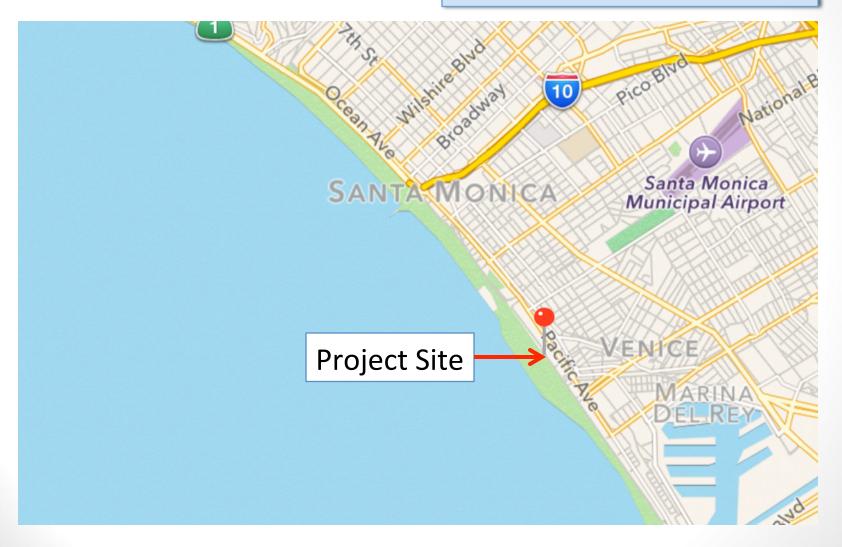


A copy of these briefing materials has been provided to CCC Staff.

Project Vicinity

Venice Breeze Suites 2 East Breeze Ave., Venice Beach City of Los Angeles

2



Location



Source: Coastal Records Project, Image 200802327

Proposed Project

- Change of use of existing building from 31 rental apartments to 30 hotel rooms and one long term affordable housing rental unit, consistent with City of Los Angeles approval and Mello determination
 - Project located within C1-1 zone and Coastal Zone "dual permit" jurisdiction area
- Restoration and preservation of historic Venice oceanfront building
- Amenities include: kitchenettes and refrigerators in every room, sofa/ rollaway beds at no charge, free bicycles for guest use, bicycle parking, surfboard storage, and free WiFi
- Building includes roof deck and barbeque to serve hotel guests
- No additional construction proposed as part of current change of use permit
- Prior work limited to interior remodel and safety/ADA improvements only

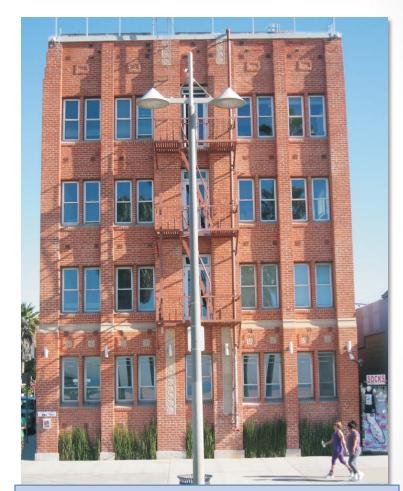
Existing Conditions

- Currently developed with 4-story, 15,408 square-foot, 31-unit, historic brick building operating as short term rental/hotel available to the public.
- Located along Ocean Front Walk in North Venice area of Venice Coastal Specific Plan and lies within Beach Impact Zone
- No existing (or previously existing) on-site parking.
- No expansion or intensification of development proposed
- Proposed conversion from apartment to hotel does not change density or intensity of land use.
- Project enhances existing public access and provides visitorserving use in Venice beach area.

Project Photos



Looking seaward with building in foreground



Looking at building front entrance located on Breeze Avenue 6

Project Photos



Project History

- **1930**: Building constructed as "Breeze Hotel" and used as apartments.
 - Building footprint extends to property lines w/no on-site parking; City determined project has grandfathered parking rights



- Late 1900s-Early 2000s: Property had both hotel and apartment use. (See sign from prior owner.)
- 2007: Applicant purchased subject property and began renovation for interior remodel with Coastal exemption and building permit from City.
- 2012: City notified applicant that a change of use permit was required for transient occupancy use.
- 2012: Applicant submitted application to City for change of use to 30-room hotel.

Project History (cont.)

- April 2013: Venice Neighborhood Council unanimously supported change of use to hotel.
- May 2013: Zoning Administrator approved CDP subject to special conditions; did not notify applicant of need to apply to CCC
- March 2014: Applicant satisfied special conditions; City issued CDP/building permit.
- Nov. 2014: City sent Notice of Final Action to CCC and applicant (thereby notifying applicant of CCC permit requirement).
- **Dec. 2014:** Applicant submitted current CDP application to CCC.

Context: Commercial Development, 1850-1980 Theme: Hotels, 1880-1980

This Context/Theme was used to evaluate significant examples of hotel buildings in Venice, most notably those situated on the beach overlooking the Pacific Ocean. Located along Ocean Front Walk between Venice Boulevard on the south and the City of Santa Monica border on the north, a number of the original hotels and apartment houses built to accommodate Venice's earliest visitors remain extant today. Four examples were identified in the survey, dating from the teens to the 1930s. While most examples have some degree of alteration, these buildings are important to the understanding of Venice of America as an early-20th century tourist destination.



Address: 2 E. Breeze Avenue Name: Breeze Hotel Date: 1930



Address: 1217 S. Ocean Front Walk Name: Hotel Waldorf Date: 1913



Address: 401 S. Ocean Front Walk Name: Cadillac Hotel Date: 1914

Venice Community Plan Area

SurveyLA



Address: 217 S. Ocean Front Walk Name: King George Hotel Date: 1912

Excerpt from City's historical property survey describes subject site as hotel



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Public Access

- Existing public access available from Breeze Ave. & Ocean Front Walk
- Project promotes public access and recreation, consistent with Coastal Act policies 30210 and 30212
- Project serves coastal priority use and provides lower/moderately priced visitor-serving overnight accommodations



Project Benefits

Proposed project will provide:

- Lower/moderately priced hotel rooms serving Venice/Santa Monica market
- Kitchenettes and refrigerators in every room
- Additional sofa beds and rollaway beds provided at no charge
- Short term rentals for overnight or weekly stays
- Free bicycle usage and free bicycle parking for hotel guests
- Free WiFi
- Free surfboard storage
- Parking provided offsite for hotel guests
- Credit incentives for first taxi ride (e.g. Uber)
- Alternative transportation available, including free electric shuttle

Staff Recommendation

Staff recommends <u>approval</u> subject to three (3) special conditions. Permit authorizes development, which includes 30 hotel units and one apartment unit. No restaurant or commercial food/beverage service is permitted on the site. All units contain kitchens and at least 20 units include sofa/futon type pullout beds.

Other special conditions require:

- Parking and Transportation Demand Management Program submitted prior to issuance to include alternative transportation incentives for guests and employees and provision of free bicycles and free bicycle storage;
- 2) Payment of ATF Application Fee of \$43,840 (balance is \$37,264)

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Coastal Act Consistency

Project is consistent with Coastal Act Section 30213, which requires protection and provision of lower cost visitor and recreational facilities.

- "...the proposed hotel differs from other high cost hotels for several reasons. First, the hotel re-used an existing 85 year old building and did not displace an existing lower cost hotel. It displaced 30 residential units, which are a lower priority use under the Coastal Act and the Venice Land Use Plan." (Staff Report, p. 13)
- "The hotel is also not consistent with a traditional high cost hotel (or even a traditional moderate cost hotel) because of the amenities and flexibility it offers its guests." (Staff Report, p. 13)
- "...because the proposed hotel offers amenities which will appeal to families and larger groups of coastal visitors, and because its construction will not displace or preclude the presence of a lower cost hotel, the Commission finds that mitigation for adverse impacts to public access is not required in order to ensure consistency with Section 30213 of the Coastal Act." (Staff Report, p. 14)

Coastal Act Consistency

Project is consistent with Coastal Act requirements for protection of Public Access, including Sections 30210 to maximize public access and 30252 to maintain and enhance public access.

- "The hotel use represents a decrease in intensity and a decrease in parking demand compared to the existing residential use." (Staff Report, p. 10)
- "The change in use of the facility from an apartment building with no parking to a hotel with no parking will not entirely eliminate impacts to public coastal access caused by users of the private development, but it will reduce adverse impacts because fewer vehicles associated with the private development will be parked in public parking areas near the coast." (Staff Report, p. 10)

Coastal Act Consistency

Proposed project is consistent with Coastal Act Section 30222, which establishes higher priority for publicly available commercial recreational facilities over private residential, industrial or general commercial development.

- Project provides new visitor-serving use to replace private residential use.
- Overnight visitor accommodations are coastal priority use.

In addition, Policy I.A.17 of the Venice Land Use Plan states, in relevant part:

• "Overnight visitor-serving uses, such as hotels and youth hostels, are preferred uses in Community Commercial and General Commercial land use categories."

No Jurisdiction Over Affordable Housing

"The Commission has no jurisdiction to alter the City's Mello Act determinations" because in 1981 the Legislature shifted the responsibility for regulating affordable housing in the coastal zone to local government. **(Staff Report, p. 16)**

Coastal Act Section 30607.1: "No new coastal development permit . . . shall be denied, restricted, or conditioned by the commission in order to implement housing policies..."

Venice LUP:

• "The responsibility for carrying out the provisions of Government Code section 65915 (Affordable Housing) now rests with local government." (Page I-4)

• "Venice's unique social and architectural diversity should be protected as a Special Coastal Community <u>pursuant to Chapter 3 of the Coastal Act.</u>" (Page I.E.1)

• "New development within the Venice Coastal Zone shall respect the <u>scale and</u> <u>character of community development.</u>" (Pages II-26-27)

• "Community character" is addressed in terms of the physical development of Venice, i.e., architecture and neighborhood compatibility and the "reuse and renovation of a historic structure." (Pages II-27)

Conclusion

Applicant is in <u>agreement</u> with staff recommendation and requests approval by the Commission.

Proposed Venice Breeze Suites project:

- Creates and provides new visitor-serving overnight accommodations, which is a coastal priority use and will serve to enhance public access and recreational use in Venice Beach area.
- Conforms to Venice LUP and consistent with Coastal Act public access and recreation policies.



Steve Clare <sclare@vchcorp.org>[@] To: "Rehm, Zach@Coastal" <Zach.Rehm@coastal.ca.gov> Application #5-14-1932; 2Breeze Ave., Venice

October 26, 2015 4:51 PM

2 Attachments, 1.2 MB

Dear Mr. Rehm;

Attached please find the letter opposing the above referenced application for a CDP. Please distribute the letter and attachments to the commissioners. Thank you.



Steve Clare Executive Director Venice Community Housing Corporation 720 Rose Avenue Venice, CA 90291 310-399-4100



Coalition for Economic Survival (CES)

http://www.cesinaction.org

Larry Gross, Executive Director

CES is a multi-racial, multi-culture grass-roots community-based organization that has been dedicated to organizing low and moderate income people to win economic and social justice throughout the greater Los Angeles area since 1973.

Keep Neighborhoods First (KNF)

http://www.keepneighborhoodsfirst.com

KNF is a collation of neighbors, renters, homeowners, small business owners, housing rights and social justice organizations dedicated to protecting the City's housing from exploitation by commercial short-term rental operators.

Los Angeles Alliance for a New Economy (LAANE)

http://www.laane.org

LAANE is a leading advocacy organization dedicated to building a new economy for all. Combining dynamic research, innovative public policy and the organizing of broad alliances, LAANE promotes a new economic approach based on good jobs, thriving communities and a healthy environment.

People Organized for Westside Renewal (POWER)

http://www.power-la.org

POWER brings together residents of low-income communities, people of color, women, senior citizens, and immigrants to work together for their collective benefit. These collective campaigns form bonds and relationships that last a lifetime. POWER is a membership-based community organizing group. We employ a community organizing strategy based on relationship building and direct action to create meaningful change in the neighborhoods where we work. We start locally, working on issues that matter to people in our communities, such as affordable housing, community safety, and quality education. We then connect our issues to those of our national network, National People's Action (NPA), and we are part of a national movement focused on building an economy that works for everybody, challenging corporate power, and winning increasingly more inclusive and democratic government policies.

UNITE HERE Local 11

http://www.unitehere11.org/#intro

UNITE HERE Local 11 represents more than 20,000 workers employed in hotels, restaurants, airports, sports arenas, and convention centers throughout

Southern California. Members of UNITE HERE Local 11 join together to fight for improved living standards and working conditions. Local 11 is an affiliate of UNITE HERE, an international labor union that represents 270,000 working people across North America. Our members in the U.S. and Canada work in the hotel, gaming, food service, manufacturing, textile, distribution, laundry, transportation, and airport industries.

VENICE ACTION ALLIANCE

http://veniceaction.blogspot.com

Venice Action Alliance is made up of residents of Venice who work together to solve community problems. Our objectives include maintaining Venice as a vibrant, inclusive and diverse community. Venice Action Alliance believes in combining prudent, appropriate and compassionate law enforcement with workable solutions that benefit the community and its residents while avoiding the further and gratuitous victimization of people who find themselves down-and-out in this difficult period of time.

Venice Coalition to Preserve our Unique Community Character (VC-PUCC) http://savevenice.me/about-us/

VC-PUCC is an association of long-term and short-term residents organized to preserve and protect Venice, including the visual resources and affordable housing that contribute to our unique and diverse community fabric, from the negative effects of proposed new development driven by rampant land speculation. VC-PUCC works to protect the special character of our neighborhoods by defending against displacement of low-income residents and destruction of rent-stabilized housing, and advocating for the preservation of green space, animal habitat, and historical buildings. VC-PUCC seeks to ensure that new development is appropriately scaled, community conscious, and environmentally sensitive so that Venice remains the unique place people have come to know and love the world over.

Venice Community Housing (VCH)

http://www.vchcorp.org

Low-income people achieve economic and personal stability through nonprofit affordable housing, education, and a comprehensive network of supportive services. We make the community stronger and safer for all. For over 25 years, VCH has provided permanent, affordable housing to lowincome people in and around Venice. In 2013, VCH housed over 500 people in its 14 properties, including 150 children and 160 formerly homeless individuals.

Item 17 a Coastal Commission Hearing November 4, 2015

October 28, 2015

California Coastal Commission South Coast District Office 200 Oceangate - Tenth Floor Long Beach, CA 90802

Via email to: <u>Zach.Rehm@coastal.ca.gov</u>

Re: Opposition to CDP Application #5-14-1932, 2 Breeze Ave, Venice

Dear Coastal Commissioners:

It is unfortunate that the Commission has allowed the Applicant to manipulate a public hearing process to secure a hearing date that cannot be further continued from a location that is over 400 miles away from the community that is subject to the consequence of the Commission's determination. Were this hearing in Southern California, the hearing room would be filled with Venice residents who would urge you to deny this application for the following reasons, as do the undersigned community organizations whose members are not able to make the journey to Half Moon Bay.

I The Project Would Prejudice the Ability of the City to Prepare a Local Coastal Program in Conformity with the Policies of the Coastal Act

The City of Los Angeles is the only coastal community in California to undertake to issue coastal development permits pursuant to Section 30600(b) of the Coastal Act (Public Resources Code § 30000, et seq.). Section 30604 of the Coastal Act requires:

"Prior to certification of the local coastal program, a coastal development permit shall be issued if the issuing agency, or the commission on appeal, finds that the proposed development is in conformity with Chapter 3 [of the Coastal Act] (commencing with Section 30200) and that <u>the permitted</u> <u>development will not prejudice the ability of the local government to</u> <u>prepare a local coastal program that is in conformity with Chapter 3</u> (commencing with Section 30200)."

Section 30604 mandates that "no coastal development permit be issued which would prejudice the local government's ability to prepare a LCP in conformity with the [Coastal] Act." (Sierra Club v. Superior Court (1985) 168 Cal.App.3d 1138, 1142.) The Coastal Staff Report's recommended Finding of no prejudice to LCP preparation is inadequate. It is myopically focused and *based solely on proposed conditions to mitigate public access impacts of the project* itself, and is without regard to the impact of the

project on the community character of Venice as a Special Coastal Community. The Coastal Act states that, " 'cumulative effect' means the incremental effects of an individual project shall be reviewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects." <u>The Finding</u> of no prejudice ignores the larger context in which this project, one of many undertaken by the Applicant that illegally converts critically sited residential neighborhood housing to commercial hotel use, *passes the tipping point in destroying socially-diverse Venice neighborhoods that the Commission stated should be protected when it certified the Venice Land Use Plan (LUP)*. (See LUP Policy I. E. 1. "Venice's unique social and architectural diversity should be protected as a Special Coastal Community pursuant to Chapter 3 of the California Coastal Act of 1976.")

It bears emphasis that the neighborhood protection policies in the LUP are rooted in Section 30253(e) of the Coastal Act, which sets forth a coastal policy that requires that new development "protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses." The "Introduction" to the Chapter II Land Use Policies of the LUP makes clear that Venice is a Special Coastal Community because of the social, ethnic, and economic diversity of its residential neighborhoods:

Developed as a beach resort, Venice was known as the Coney Island of the Pacific. Historically it has attracted people from all social and ethnic groups to the coast to live, work and play. While little remains of the "Venice of America" that was built by Abbot Kinney, Venice is still strongly influenced by its past. Each weekend hundreds of thousands of people are still attracted to the shore to enjoy the ambience of this coastal *community*. Kinney envisioned Venice to be more than a resort and today it is home to 32,270 permanent residents, many of whom inhabit the small summer homes built on substandard lots along paved streets over canals. Others live on substandard lots (many are less than 3,000 square feet in area) that have been redeveloped with more substantial single-family homes and multi-unit structures. Yet Venice remains the guintessential coastal village where people of all social and economic levels are able to live in what is still, by Southern California standards, considered to be affordable housing. *Diversity of lifestyle, income and culture typifies the* Venice community. United by the term Venetians with all its connotative meanings, Venice is really a group of identifiable neighborhoods with unique planning and coastal issues. (LUP, p. II-1.)

Moreover, the first three bullets in the LUP's Summary of Venice Coastal Issues related to "Residential Land Use and Development," on p. I-3, make clear that <u>preservation of the diversity of Venice's residential community is essential in protecting it as a Special</u> Coastal Community pursuant to the Chapter 3 Policies of the Coastal Act. These include:

• <u>Preservation of existing housing stock</u>, and discouragement of conversion of residential uses to commercial use where appropriate.

<u>Provision of very low, low, and moderate-income housing</u> for a cross- section of the population, <u>including persons with special</u> <u>needs</u>.

•

• <u>Illegal conversion of residential uses to commercial uses</u> and illegal provision of residential uses.

It is the diversity of our residential coastal community that makes Venice a Special Coastal Community. It is our unique, eclectic mix of families, artists, and residents of all colors and walks of life that make Venice a world-famous destination. Our community, its character, and its characters, *depends on a balance between visitor-serving accommodations and permanent residential units*. But that balance would be substantially compromised given the current and cumulative effects of a high-impact project like 2 Breeze. As set forth below, it is just one of five buildings that have been illegally converted by this Applicant alone. And, <u>Mr. Lambert's illegal conversions are</u> *part of a larger onslaught of displacement of community residents* as a result of illegal conversions to hotel and short-term rental commercial uses.

We respectfully submit that <u>the</u> "no prejudice to the LCP" Finding cannot be made here <u>once this project is placed in context</u>. To mechanically approve in isolation the conversion of a yet another neighborhood residential building to commercial use takes us way too far down the proverbial "slippery slope." <u>If our residential communities</u> continue to be driven towards extinction due to conversion of housing to hotel and shortterm rental commercial uses, the goal of Coastal Act Section 30253(e) and its Policy I. E. <u>1. counterpart in the LUP will be forever undermined</u> – the very prejudice to the LCP planning process that the Coastal Act mandates be avoided.

A. <u>2 Breeze is just one of many illegal conversions of residential dwelling</u> <u>use to hotel and short-term rental commercial use by the Applicant.</u>

The following is a list of apartment buildings that the Applicant has unlawfully converted to hotel/short-term rental commercial uses. He is either the current or former owner of all these properties. <u>The Applicant has never before sought a CDP from this Commission</u> for any of these conversions. He should not now be rewarded for finally seeking forgiveness when he never previously first sought permission.

1. Venice Suites (32 RSO units*) Address: 417 Ocean Front Walk Current Owner: Carl Lambert <u>http://www.venicesuites.com</u>

2. Originally: Paloma Suites Now: Venice Beach Vacation Condos (8 RSO units*) Address: 52 E Paloma Ave Current Owner: Tayfun King Previous Owner: Carl Lambert Current website: <u>http://venicebeachvacationcondos.com</u> Previous website: <u>http://www.venicepalomasuites.com</u>

3. Venice Breeze Suites (31 RSO Units*)

Address: 2 Breeze Ave--subject property Current Owner: Carl Lambert <u>http://www.venicebreezesuites.com</u>

4. Venice Beach Waldorf (32 RSO Units*)

Address: 1217 S Ocean Front Walk/5 Westminster Ave Current Owner: Carl Lambert Previous Owner: Lenney LLC <u>http://www.venicebeachwaldorf.com</u> Yesterday's rent-stabilized Venice homes are today's chic hotel. About two years ago, Lambert Management took over the responsibilities of managing the Waldorf apartments. Since then, Lambert has purchased the property, and more than half of the 32 long-term rental units disclosed in the latest Certificate of Occupancy have been converted to short-term rental units.

5. Venice Admiral Suites (25 RSO units*)

Address: 29 Navy St Current Owner: Not publicly available Previous Owner: Carl Lambert <u>http://www.veniceadmiralsuites.com</u> * RSO units: Rental Units protected by the City of L.A. Rent Stabilization Ordinance

B. <u>The Lambert conversions are part of a larger phenomenon that is</u> <u>degrading and cumulatively changing Venice's unique character-</u> <u>defining residential neighborhoods</u>.

As of today, there are 1,207 entire homes and apartments and 333 private rooms from Venice listed on AirBnB, and approximately 1,000 more listed on 30 other marketing platforms. Enclosed is an Airbnb map that shows the location of those 1,540 listings, almost all of which are located in the Venice Coastal Zone and <u>most of which are located on or near the Ocean Front Walk where the Applicant's property is located</u>.

C. <u>The balance between commercial and residential dwelling uses would</u> <u>be essentially destroyed by approval of this project.</u>

As Coastal Staff indicates, the subject property is within the LUP's Community Commercial land use designation. And, *while overnight visitor-serving uses can be a preferred use in certain circumstances, in the cumulative context of the many past, current and future conversions of residential dwelling use to* short-term hotel and rental unit commercial uses in the Venice Coastal Zone, *it is not* a preferred use due to the adverse cumulative impact of the conversions on the balance between the commercial and residential dwelling uses.

Policy I. B. 6 of the *LUP seeks a balance between residential dwelling uses and visitorserving commercial uses.* It states in its pertinent part: The areas designated as Community Commercial on the Land Use Policy Map (Exhibits 9 through 12) will accommodate the development of community-serving commercial uses and services, with a mix of residential dwelling units and visitor-serving uses...*The existing community centers in Venice are most consistent with, and should be developed as, mixed-use centers that encourage the development of housing in concert with multi-use commercial uses.* The integration and mixing of uses will increase opportunities for employees to live near jobs and residents to live near shopping.

As the facts demonstrated above make clear, the rampant illegal conversion of residential dwelling units into hotel and short-term rental commercial uses is <u>changing the fabric of Venice's unique coastal community</u> and is doing so at a scale and rate that <u>requires</u> the attention of <u>this Commission in order to prevent prejudice of the City's ability to prepare</u> a LCP that implements the certified LUP's Policies and reflects its commitment to preserve and protect Venice's unique (mainly) residential community character.

It is noteworthy that LUP Policy I.A.17 presages our concern about the loss of permanent rental housing. It states:

"To preserve existing rental housing stock and prevent conversion of permanent rental housing to youth hostels, the LIP may set forth a maximum number of youth hostel units (based on a percentage of total number of existing rental units) permissible in the Venice Coastal Zone."

At the time of the LUP's certification in 2001, its *drafters were concerned about the impact a relatively small number of youth hostels might have on the residential community*. They could not foresee or even imagine the extent of the loss of rental housing stock in the Venice Coastal Zone that has been converted and is being proposed for conversion to hotel and short-term rental commercial uses.

And finally, the Coastal Act's Legislative Findings and Declarations; Goals note the importance of balanced coastal resources in Section 30001.5(b), which states:

"The Legislature further finds and declares that the basic goals of the state for the coastal zone are to assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state."

D. <u>The Coastal Staff Report fails to inform the Commission that the City</u> and the Venice Neighborhood Council have recognized the need to stop conversions of residential housing to commercial uses, such as hotels and short-term rental units.

In support of its recommendation to grant the State coastal development permit, Coastal Staff cites support of former 11th District Councilmember Bill Rosendahl and the Venice Neighborhood Council. *However, this support was solicited almost three years ago, long*

before the avalanche of illegally converted hotels and short-term rentals that is now threatening to destroy the unique character of our protected, coastal residential neighborhoods and rob our City of desperately needed rental housing, including lowincome rental housing. Current Councilmember Mike Bonin opposes the conversion of ANY rental units subject to regulation by the City of L.A. Rent Stabilization Ordinance to hotel and short-term rental commercial uses. Enclosed with this letter is a copy of the motion that Councilmember Bonin introduced on June 2, 2015 that commits to preparing a City ordinance governing short-term rentals in the City of Los Angeles. And on September 15, 2015, after a lengthy process including several committee reviews and local community Public Hearings, the Venice Neighborhood Council adopted a Motion in support of Councilmember Bonin's city-wide motion, which offers 20 additional suggestions for strengthening the ordinance to regulate and limit the proliferation of short-term rentals Citywide, including and especially in Venice. A copy of that motion is also enclosed.

II. The City Has Incorporated Mello Act Compliance into its LUP and Has Failed to Comply with its Requirements.

As previously argued in the July 13, 2015 letter to the Commission from the Venice Community Housing Corporation, a copy of which is attached for your convenience, <u>the</u> <u>Commission may consider the requirements of the Mello Act in reaching its decision</u>. In making this argument, we recognized that the Coastal Act was amended in 1981 to eliminate provisions encouraging affordable housing for persons of low and moderate income. We asserted, as acknowledged in the Commission's February 10, 2015 "Report on Coastal Act Affordable Housing Policies and Implementation," <u>that nothing precludes</u> <u>cities from submitting LUPs that include affordable housing policies and Mello Act</u> <u>compliance requirements</u>. Because <u>the City of L.A. included Mello Act compliance</u> <u>requirements in its certified LUP</u>, it is those LUP Policies that guide the Commission in this case. Mr. Steven Kaufmann's letter of September 2, 2015, misses this critical point.

In brief, because the LUP specifically requires compliance with the affordable housing requirements of the Mello Act, there must be compliance with the threshold requirement that a conversion of residential use to commercial use may be permitted only where the commercial use is coastal dependent or, if the conversion is to a non-residential use that is not coastal dependent, it is first determined that residential use is no longer feasible at that location. Because the City did not in its Mello Act Compliance Determination consider or make any factual determination regarding the feasibility of continued residential use, the Commission should either remand the matter to the City to make that Finding or deny the application because the Finding has not been made. Alternatively, the Commission should deny the application because it is obvious that continued residential use is feasible. The Applicant admits that each of the 31 units could be rented for between \$3,000 and \$4,000 per month, or up to \$1,488,000 per year.

While the Applicant states he has invested \$4 million in improvements in the subject property and preserved architectural character, he would have had to make that

investment to preserve the building in any case. Moreover, <u>that investment addresses</u> only the architectural diversity element in Policy I.E.1, *and not the requirement stated therein to protect and preserve the unique social diversity of our Special Coastal* <u>Community</u>.

III Conclusion

As a petition circulating in our community states, our friends, families, and neighbors are being replaced by lockboxes, cleaning crews, loud parties, and neighborhoods of strangers. Tenants are facing harassment, evictions, and offers to move out quickly for cash. *This phenomenon is destroying the very character of Venice that makes it a destination in the first place. The responsibility for ensuring that the LCP planning process is not prejudiced falls in the first instance on the shoulders of this Commission*. For all of the reasons above, *we ask you to reject this conversion from residential to non coastal-dependent commercial hotel use*.

Respectfully submitted,

Coalition for Economic Survival (CES) http://www.cesinaction.org

Keep Neighborhoods First (KNF) http://www.keepneighborhoodsfirst.com

Los Angeles Alliance for a New Economy (LAANE) http://www.laane.org

People Organized for Westside Renewal (POWER) http://www.power-la.org

UNITE HERE Local 11 http://www.unitehere11.org

VENICE ACTION ALLIANCE http://veniceaction.blogspot.com

Venice Coalition to Preserve Unique Community Character (VC-PUCC) http://savevenice.me/about-us/

Venice Community Housing (VCH) http://www.vchcorp.org

Enclosures

cc: the above organizations

^{1 of 4} VeniceBreeze

PETITION TO DENY STATE COASTAL DEVELOPMENT PERMIT FOR CONVERSION OF 2 BREEZE FROM RENT-STABILIZED APARTMENTS TO HOTEL

Honorable Coastal Commissioners:

We, the undersigned residents, displaced residents and supporters of the Venice community STRONGLY OPPOSE the request for after-the-fact approval to convert 2 Breeze, a 31-unit Rent Stabilized apartment building, into a hotel.

We have signed this petition because the applicant was granted not one, but two continuances, resulting in a hearing almost 400 miles away from Venice; and due to the cost and time involved in having to travel such a distance we are not able to testify in person.

We *implore you* to deny Coastal Development Permit (Application #: 5-14-1932) because

- The Coastal Commission is tasked with protecting the unique character of our coastal community, which is being deluged by unpermitted conversions of rental housing to short-term rentals and de facto hotels.
- As of today, there are 1,207 entire homes and apartments and 333 private rooms from Venice listed on AirBnB, and approximately 1,000 more listed on 30 other marketing platforms. This applicant himself has owned and operated approximately 128 de facto hotel rooms spanning 5 apartment buildings that were converted without permits from rent-stabilized apartments.

We need to Preserve and Protect our Neighborhoods and our Homes

- Venice is recognized as a Special Coastal Community, pursuant to Chapter 3 of the California Coastal Act it is a stable, economically and ethnically diverse neighborhood with a hundred-year history of social diversity that is unmatched in the California Coastal Zone.
- The existing residential housing supply is our reservoir of diversity. It is being critically impacted by conversion to hotels and other short-term rentals, which some property owners use as an under-the-table shortcut to rent deregulation and quick profits. This has contributed to a larger speculative boom and has further diminished our housing stock.
- Our neighbors, friends and families are being replaced by lockboxes, cleaning crews, loud parties and a constant revolving door of strangers in our residential neighborhoods. Long-term tenants face harassment and loss of their homes, and receive offers to move out quickly for cash or face eviction. This phenomenon is destroying the very unique and special character of Venice that makes us a popular destination in the first place.
- Approving this project would set a significantly injurious precedent that would lead to Venice being further transformed into a neighborhood without neighbors –a virtual city of strangers. The very character of our community, that is to be preserved and protected under the Coastal Act, would be wiped out of existence by the cumulative impact of illegal conversions to hotels of apartment buildings that should be our homes. The owner of 2 Breeze has done one unpermitted conversion after another. It's time to say NO MORE!

We respectfully ask for your "No" vote on this Coastal Development Permit.

Total signatures: 129	
Name	State Comment
1. Inna Henry	CA
2. Bill Przylucki	CA
3. Elaine Spierer	
4. Dawn Hollier	CA
5. Tom Drew	CA
6. Donna Grillo	CA
7. Susan Shehab	CA
8. Regan Kibbee	CA
9. Linda McAndrew	CA
10. Gail Malmuth	
11. Stacy Herkert	WA

01	4 Name	State
12.	. dori denning	01410
13.	. Jamie Whitmarsh	CA
14.	. Claire Carafello	CA
15.	. Joan Thompson	CA
16.	. Suzanne Feller	CA
17.	. Cynthia Webb	
	. Lucy Han	
	. Sandra Bleifer	
20.	. Sarah Shoup	CA
	. Alison Mills Bean	CA
22.	. David Ewing	CA
23.	. chase orton	CA
24.	. Richard Abcarian	CA
25.	. Joan Wrede+	CA
	. Robert Mitchell	CA
27.	. Sheeva Lapeyre	CA
	. James Adams	CA
	. Judith Goldman	
	. Gina Maslow	CA
	. Marc Cavanaugh	CA
	. Roxanne Brown	CA
33.	. Angela Durrant	CA
	. Sharon Vagley	CA
35.	. Kelly Adams	
36.	. Rick Garvey	CA
37.	. melodie meyer	CA
38.	. Maria Barquin	CA
39.	. Adam Vagley	CA
40.	. Carlos Camara	
41.	. Barbara Nichols	CA
42.	. Jim Bickhart	CA
43.	. Art Marcum	CA
44.	. Robert Aronson	CA
45.	. Cherrie Katayama	CA
46.	. richard arratia	CA
47.	. Del Hunter-white	CA
	. Sandy Gooch	CA
	. elizabeth rizzo	
	. Kendall Mayhew	CA
	. Lisa Julian	CA
	. Jenny Pellicer	Veneto
	. Michael Stackhouse	CA
	. daniel sharkey	CA
	. Julia Fontana	CA
	. DeDe Audet	CO
	. paul lieber	CA
	. Alicia Arlow	<u>.</u>
	. Tyler Dunham	CA
	. Christian Cloud	CA
	. Judith grebler	CA
	. Michael Soares	CA
	. Gwenn Victor . Thomas Sullivan	CA CA
	. Greta Cobar	CA
	. Gail Rogers	CA
	. Phyllis Murphy	CA
	. Marshall Dunn	CA
	. Kamille Rudisill	CA
55.		54

State	Comment

3 of 4	
Name	State
70. Jane Taguchi	CA
71. margaret molloy	~ .
72. Anita Tolbert	CA
73. Sol Esperanza Østvedt Pellice	
74. Gabriel Ruspini	CA
75. Peter jensen	CA
76. Dan Inlender	~
77. Carolyn Marsden	CA
78. Matthew Post	CA
79. Scott Plante	CA
80. Patricia Cohen	CA
81. Michelle Appel	CA
82. Ann Marie Stanton	CA
83. Sally Haskell	CA
84. Linda Lucks	CA
85. Marie Kennedy	CA
86. Mary Cross	CA
87. Cecilia Hyoun	CA
88. Joann Massillo	
89. Catherine Robbins	CA
90. Sue Kaplan	CA
91. Larry Gross	CA
92. mark Kanights	CA
93. Barbara Williams	CA
94. Susan Spivak	CA
95. James Robb	CA
96. Tracy Aldridge	
97. Lisa Bartoli	
98. margo villarin	CA
99. Mary Jack	CA
100. Patricia Portugal	CA
101. Gene Myers	CA
102. Jytte Springer	C A
103. David Dayen	CA
104. Paul Barber 105. Kathleen Rawson	CA
	CA
106. Barbara Mastej	CA
107. janine simmel	CA
108. richard carvantes	CA
109. Alia Congdon 110. Eliza Smith	CA
111. George Woods	CA
112. A.M. Zubère	CA
113. Carlene martinez	CA
113. Canene martinez 114. martha hertzberg	CA
114. martia herczberg 115. Barbara Milliken	CA
116. Elena Lerma	CA
117. heidi lawden	CA
118. Ron DiSalvo	CA
119. Jeanette Koustenis	CA
120. Gary Katayama	CA
120. Gary Katayania 121. marina litvinsky	CA
122. Elizabeth Acevedo	57
123. Roy Samaan	
123. Roy Samaan 124. Janet Smith	CA
125. Christopher Teuber	CA
126. Denise Woods	CA
127. Margaret Molloy	CA
	0.1

Name 128. Randi Hall 129. Kevin Keresey



October 26, 2015

Hon. Commissioners California Coastal Commission 45 Fremont Street #2000 San Francisco, CA 94105 Hon. Councilmember Mike Bonin, District 11 200 N. Spring St. #475 Los Angeles, CA 90012

VIA E-MAIL

Re: Petition opposing hearing 2 Breeze item on Nov. 4th in Half Moon Bay

Dear Coastal Commissioners and Councilmember Bonin:

Please find attached a petition with 200 signatures asking the Coastal Commission not to hear the application to convert 31 apartments at 2 Breeze Ave. into hotel rooms. The item is currently scheduled to be heard on November 4th at the Coastal Commission hearing in Half Moon Bay, roughly 400 miles away from Venice.

This will significantly reduce the ability of those residents most directly impacted by this decision to testify before the Commission. The 2 Breeze hearing was originally scheduled for two different Southern California locations, but was moved both times. We understand this was due to requests for extensions by the applicant.

We find it shameful that this case, which could set a precedent for the future of the entire neighborhood, will be heard in a location that is so inaccessible for Venice residents. Since sending the petition out to the public, we have learned that state law requires the Commission to hear this case within a statutory time limit, and cannot be rescheduled again.

This permit application has had so many problems with statutory requirements up to this point (such as the Department of City Planning not sending a Mello Act Determination to the Legal Aid Foundation of Los Angeles, violating the Mello Act settlement agreement), it is insulting that now the community is being punished due to statutory requirements. Yet here we are...

We recommend that the Commission take one or both of these steps to mitigate the impact of hearing this item so far away from Venice:

- Give a Venice spokesperson an extended comment period to present our arguments on the case.
- Accept comments in writing and have the clerk read them into the record.

If you have any questions, please contact POWER's Executive Director, Bill Przylucki at bill@power-la.org or 310-439-8564.

Sincerely, POWER Venice Chapter

Enc.

Cc: Zach Rehm, Coastal Commission Staff

The Coastal Commission must hear the 2 Breeze case in SoCal!

Dear Coastal Commissioners and Councilman Bonin:

We recently learned that the Coastal Commission has scheduled the appeal for 2 Breeze Ave. (Venice Breeze Suites) to be heard at their November 2015 meeting *in Half Moon Bay, CA*. This is the same case that was previously scheduled to be heard in San Diego, and then in Long Beach—<u>both</u> Southern California locations.

This case involves a boardwalk apartment building whose landlord wants to convert 31 rentcontrolled apartments into permanent short-term-rental (AirBnB) hotel rooms. This case, whatever the outcome, will be precedent-setting for Venice. **Dozens of Venice residents and organizations have written letters regarding the case**. Dozens more Venetians have been waiting for months to attend this hearing, and their voices must be heard. The Coastal Commission should hold the hearing for this case in an area that is accessible to everyday Venetians. After months of waiting, however, we have learned that the Coastal Commission has put the 2 Breeze Ave. appeal on the agenda for the upcoming meeting in Half Moon Bay—<u>**almost 400 miles away from**</u> **Venice**!

Move the Venice Breeze Suites Hearing back to Southern California!

This petition sponsored by People Organized for Westside Renewal (POWER)

Total signatures:	200		
Name	State		Comment
1. William Przylucki			
2. Mary Anne Thomas	CA		
3. Mark Lipman	CA		
4. Patrick Langdon	CA		
5. Bradford Eckhart	CA		
6. Lorraine Suzuki			
7. Heather Priest	NY		
8. Christopher Plourde	CA	Preserve affordable housing in Venice.	
9. Judith Goldman			
10. Wendy Lockett	CA		
11. Steve Bevilacqua	CA		
12. Del Hunter- White	CA		
13. Jane Taguchi	CA		
14. ^{Ilana} Marosi			
15. margaret molloy			
16. marina litvinsky			
17. David Ewing	CA	Obviously coyotes are not an endange	red species.

2	of	8		I	Default
		Name	State	Comment	
	18.	James Adams	CA		
	19.	Denise Douthard	CA		
	20.	Trinidad Ruiz	CA		
	21.	Mindy Meyer	CA	This is a huge potentially precedent setting case. The landlord appears to purpose manipulating the system by canceling every time the hearing is scheduled in Sou California. Please allow us to weigh in on this very important matter by hearing the in closer proximity to the impacted community. Thank you for your consideration.	thern nis case
	22.	sylvia aroth	CA	Our opinions are important and the CCC venue must accommodate having them	heard.
	23.	Angela Durrant	CA		
	24.	Adams			
	25.	aenning			
		Judy Branfman hesh hipp	CA		
		Sarah Shoup	CA	Please include the tenants and neighbors that are affected by this conversion and the hearing to a location in Southern California which is accessible by the residen affected.	
	29.	Gary Katayama	CA		
	30.	Michele Bradley	CA		
	31.	Daniel Sharkey	CA		
	32.	Elaine Spierer	CA	This hearing scheduled so far from the subject property and its community, benefice applicant who wants to lessen the chance of opposing views being able to present before the Commission. This is exactly the opposite of what the CCC intended wit public hearings. This project needs to be re-scheduled to allow the hearing to be heaving the community most impacted.	t them h its
	33.	Beth Katz	CA		
	34.	Bleifer	CA		
	35.	Jennifer Mandel			
	36.	Barbara Milliken	CA		
	37.	Gina Maslow	CA		
	38.	Heather Vescent	CA		
	39.	Stacy Herkert			
	40.	Kendra Inman	CA	Why would you schedule a hearing for the community outside of the city much leaneighborhood that will be directly impacted by this decision? This hearing should in LA so that ALL voices can be heard. Which I believe is the point of a hearing in first place.	be held
	41.	Kennedy	CA		
	42.	JoAnn Matyas	CA		
	43.	Casey Maddren	CA		
	44.	Smith	CA	Neither pro or opposed to this project but anytime a hearing is held that impacts neighborhood, it should be held near those most impacted. This hearing seems like being in violation of the Brown act or should be.	
	45.	Joan Thompson	CA	Keep So Cal - related property hearings IN Southern California!!!!!! No exceptions	;!

3 of	8		[Default
	Name	State	Comment	
46	Roy Samaan	CA		
47	marc cavanaugh	CA		
48	martha hertzberg			
49	Marguerite Koster			
50	Prus	CA		
51	carlene martinez	CA		
52	. Tom Drew	CA		
53	melodie meyer			
54	Deborah Nitasaka	CA	Destroying communities by permitting tricksters to prevail with tactics intended to undermine rent stabilization is terribly irresponsible. Destroying neighborhoods and communities by turning homes into playgrounds (short-term vacation rentals) is a opting for jurisdictional revenue generating public policies over the health, safety welfare of long-term residents. All deeply concerning as fiscally and socially reprehensible governance.	nd about
55	Sandra ' Gooch	CA		
56	Long	CA		
57	SCHICK	NV	This is a local issue, it should be tried in a local court!	
58	Monajerian	CA		
59	Schlesinger		Move the hearing back to Venice. This is nothing but a ploy trying to avoid the inp the community that will be affected by this move.	out of
60	Donna Grillo	CA	Unders a banding to discourse hand an interference and a single to the Amerika	
61	Barbara Blinderman		Holding a hearing to discourage local residents from appearing is an insult. Anoth example of denigrating the value of community in order to benefit big corporation Their paid representatives will appear. Doesn't fairness count for anything?	าร.
62	Biinderman		Holding a hearing to discourage local residents from appearing is an insult. Anoth example of denigrating the value of community in order to benefit big corporation Their paid representatives will appear. Doesn't fairness count for anything?	าร.
63	натапп	CA	Hearings about local issues should happen locally so comments from the people a will be heard.	affected
64	Jeffrey Levine	CA		
65	Barbara Nichols	CA		
66	Betsy Goldman	CA		
67	. David King	тх	Neighborhoods in Austin, TX are fighting to get commercial short-term rentals out neighborhoods. Airbnb and Homeaway are harming our neighborhoods for profit! support neighborhoods in other cities that are fighting to stop commercial short to rentals!	We
68	Cristina Perruccio	CA		
69	Travis Casper	ТХ	AirBnB, HomeAway will ruin every neighborhood they can. These are the greedies monsters today. Don't let them destroy the American Dream for all generations to	
70	Gail Gordon	CA		
71	Anita Tolbert	CA		
72	catharine ' takemoto	CA	The Coastal Commission, YOU certainly have an obligation to figure out how to ha safe public hearing for the Venice Breeze Suites that are rent-controlled no less in city of Los Angeles. Venice land owners deserve to be heard. Do your job. BE FAIR	ו the

4	of	8
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4	of		Chaba	Default
		Name	State	Comment This moving of a hearing is akin to Venue manipulation in a court house. We cannot
		Brian Wald	CA	expect enough affected people to travel to their own hearing at such a distance. The venue is Los Angeles. Do your job.
	74.	peter jablonski	CA	
	75.	Edward Kijewski	CA	There's greed, there's unbridled greed, and then there's rapacious, criminal greed that imposes a heavy price on long-term renters who are essentially powerless and pushed aside by a growing passel of slumlords grunting their way to the trough filled with tourist dollars.
	76.	Kevin Keresey	CA	The deliberate moving of venues to be as far away as possible so as to not include citizens that are directly affected should be completely illegal. This is to insure that only the paid employees of developers show up!. I have traveled up and down the California coast to attend hearings so that I could confront the white collar crime that is going on in Venice. Most people cannot afford to travel hundreds of miles. We have to work! STOP THIS! Stop running from the citizens that suffer from your poor decision making! Your illegal decision making!
		jataun valentine	CA	Need affordable housing not short term housing.
	78.	Deidre Samuels	CA	
	79.	Manuel Katz	CA	
	80.	Mike Chamness	CA	
	81.	Eliza Smith	CA	
	82.	Alley Bean	CA	I'm am completely opposed to this Venice housing treasure being converted into more unneeded short term rentals, forcing renters out of Venice, mailing it impossibly expensive to live here and ruining the diversity of our beloved neighborhood!!! please give us a fair hearing at least!! The integrity of our neighborhood is being compromised building by building and the line has to be drawn by our legislators to stop it!
	83.	Richard Roller		
	84.	heidi ifft	CA	Why wasn't this specific issue addressed at the three local community listening sessions? Or was it? Have they stated any sort of logistical reason the meeting was moved?
	85.	Michael Tighe	CA	
	86.	alex frank	CA	
		k c	CA	I am sick of all the shennanegans (however it is spelled) that politicians and other play to make it difficult for us to protest what they are doing to Venice. Instead of being for Venice they keep making our neighborhoods good for outsiders. Between AirB&B (all they are concerned with is getting some tax dollars), RVs living on our streets and the trash that is left behind in their wake, Cell phone towers being placed in our neighborhoods, and homeless camping out in our neighborhoods, leaving trash too, using our property for a toilet and a kitchen and a bedroom, it appears that those in charge do not care about those of us who live in Venice. Of course they moved it to half moon bay, what a jokeIf it is about Venice 90291 then do your business here where we can properly protest at the meetings. Shame on them. I am also tired of all the mini- mansions going up in place of the Venice Beach bungaloes.
	88.	Ben Closson	CA	
	89.	Catherine Grasso	CA	
	90.	Elaine Brandt	CA	Keep this type of real estate out of Venice Beach.
	91.	Gail Rogers	CA	
	92.	Michelle Appel		
	93.	Lucy Han		If you know someone in Half Moon Bay, they can rep you. Better to have a rep there to speak for group. Might be able to stop permit approval if you have 3 people @ the meeting object. Call Commission to confirm.The Coastal Commission will accept written comments by mail. Call Commission (415-904-5200)for their address. Commission website : http://www.coastal.ca.gov. Copy of permit application: http://documents.coastal.ca.gov/reports/2015/11/w17a-11-2015.pdf.

5	of	8		I	Default
		Name	State	Comment	
	94.	Saltzberg	WV		
		Ren Navez DeDe			
	96.	Audet	CO	Venice needs low rent housing.	
	97.	Jim Bickhart	CA		
		Jed Pauker	CA		
	99.	Tracy Aldridge		Not fair for people who want their voices heard to make impossible to go.	
1	.00.	Michael McGee	CA		
1	.01.	Matt Williams	CA		
1	.02.	badre	CA	the GREATEST VALUE KNOWN TO SANE PPL IS SPIRIT OF A TIGHT COMMUNITY I on DOCTOR BILLS and TRAGEDIESHOPE U ACT WISELY !!!!	J save
1	.03.	Rick Stribling	CA		
1	.04.	Elena Lerma	CA		
	.05.	Merriam	CA	Half Moon Bay doesn't make sense. Please move it to somewhere accessible for a in Venice. Thanks/	Ill of us
1	.06.	john meurer	NC		
1	.07.	Kimmy Miller			
1	.08.	Crichton	NY		
1	.09.	Alice Goldstein	CA		
1	.10.	Bravo	CA	A lot is at stake for our community, the voice of Venice residents must be heard!	
1	.11.	Zubere	CA		
	.12.	Prichard	CA		
1	.13.	Kristin Tieche	ТХ	Regulate Airbnb!	
	.14.	LUCKS	CA		
1	.15.	Phylis Applegate	CA		
1	.16.	kay gallin	CA		
1	.17.	Michael Lindley	CA		
1	.18.	Joseph Greco	CA	This is a real problem in Venice now. Short term rentals are destroying our sense community and neighborhood. Lets hold on to family and neighbors and hear this in Southern California.	
1	.19.	Sue Kaplan	CA		
1	.20.	Holly Mosher	CA		
1	.21.	Eloise Kong	CA	It is the right and just not to hold meetings in the neighborhoods most effected by decisions? In the reverse, is it fair to hold meetings here in Venice that effect communities 400 miles away? I think not. Please relocate.	1
		Carol Beck	CA		
		Julie M. Thompson	CA		
1	.24.	Ron DiSalvo	CA		
		Steve Clare	CA		
1	.26.	Lydia Ponce			

6 of	8		C	Default
	Name	State	Comment	
127.	Moore			
128.	e. colleen saro	CA		
	E Bauer			
130.	Lisa Green Reed	CA		
131.	Heisley- Shellaby	CA		
132.	Marlon Stern	CA		
133.	Simeon Carson	CA		
134.	Juan Ayala	CA	Whatever happened to "government of the people, by the people, for the people" "Life, Liberty, Equality, Justice," etc. FOR ALL?? LIFE is first and must always be protected and cared for as the first priority. If there must be "property," surely it m always be considered after LIFE has received all required attention and care.	
135.	Lonell Powell	CA		
136.	Pat Abbott	ТΧ		
137.	Lauren Steiner			
138.	Soltysik	CA		
139.	Scott Shuster			
140.	Hamid Assian	NY		
141.	steve williams	CA		
142.	Eleu Nava			
143.	Carder			
144.	Jeffery Martin Jaime			
145.	Simon Zeledon Valverde	CA	Hausing Human Righ Tenemos que preserver las viviendas de los inquilinos que vi en Aptos.en la Zona costera de Venice,CA,La vivienda el un Derecho Humano,	ven
146.	Factor	CA		
147.	Eric Ahlberg			
148.	lipton	CA	Stop Gentrification! Provide homes for those who need them! Stop the inhumanity is modern Venice!	that
149.	Snapiro	CA	I object to forcing people out of their places to live for the profit of a few	
150.	мауре			
151.	Gonzalez		California is not only for the rich. Stop Gentrification and calculated economic apar now! W.A.G	rtheid,
152.	Archibeque	CA		
153.	nagy	CA		
154.	Gullette	CA		
155.	martin	CA		
156.	Edelson	CA		
157.	Conney Williams	CA		

7 01	Name	State	Comment	Delau
158	Francos	CA	connent	
159	. Ankur Patel			
160	Antonieta Villamil			
161	. Joy Cernac			
162	Nazmul Biswas	AZ		
163	Ramon Castañeda	CA		
164	. Daniel Lee	CA		
165	Stephanie Tatro	CA		
166	Terence Lyons	CA		
167	. Jessica Lin	CA		
168	. Ira Koslow	CA	This is a second project that affects Venice that is being heard so far away. Are the developers this strong as to eliminate sthr input?	
169	Poullot	CA	Please put a halt to this mad scheme. We are choking from lack of parking and the only part of the problem.	nis will
170	Garvey	CA		
171	WIIKINSON	Veneto		
172	Alexander Flores	CA	Let hardworking locals decide fairly. Say no to gentrification and the fall of weste civilization.	rn
173	Philip Parenteau	CA		
174	Kaneshiro	FL		
175	Milo Gonalez	CA		
176	Jose Coranel			
177	. Maria Rioz			
178	Galan			
179	EStraŭa			
180	Banories			
181	Betancourt			
182	N.Lao			
183	Coronado			
184	Cansino			
185	S. Teresa Altero			
186	Flores			
187	. Elva Flores			
188	Pere			
189	Lande			
190	. Maria Tons			
191	Delgado			
	Revna			

Default

192. Reyna Escobar

Name State

Comment

193.	Petra Sigala
194.	Yesica Banvelos
195.	Paz Cortes

196. ^{Mark} Farina

- 197. Jared Essig
- 198. Teresa Vilchis
- 199. Jessica Camanera
- 200. Delmira Gonzalez



October 1, 2015

California Coastal Commission 45 Fremont Street #2000 San Francisco, CA 94105

RE: Application by Carl Lambert of Venice Breeze Suites, LLC for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL)) – Follow-up Letter

Dear Coastal Commissioners:

This is a follow-up letter from our letter dated July 13, 2015 regarding Carl Lambert's application to convert the 31-unit apartment building at 2 Breeze Ave. in Venice to a transient occupancy use. After researching the case further, including examining the case file in the Long Beach Coastal Commission office, we would ask the Coastal Commission to deny the application based on this finding:

The CDP must be denied because it will prejudice the City of Los Angeles against preparing a local coastal program that is in conformity with the California Coastal Act of 1976.

In the case file, Mr. Lambert and his agents go to great lengths to persuade you that this is not the case. However, we assert that it would be impossible for the city to prepare an effective LCP if this case is approved, given the precedents it would set:

In his October 1, 2012 letter to you, Donald Alec Barany, Mr. Lambert's partner and the architect on the project, asserts that the adopted Venice Community Plan (from here VCP) "serves as the functional equivalent" of the LCP in this case. Your own Executive Director has asserted that, once adopted, the LCP is the standard of review for a case both at the local and Coastal Commission levels, so this is a significant claim. However, for the sake of argument, we will accept his assertion and see where it leads us:

Mr. Barany goes on to assert that this project is consistent with the VCP. This assertion is inaccurate. There are a number of areas where the Venice Community Plan directly contradicts this assertion. On page 22 (Objective 1-2.2) the VCP identifies the objective: "Encourage multiple-family residential development in commercial zones," and references a program in the Venice Specific Plan to achieve this. On page 5 the VCP references the "Illegal conversion of residential uses to commercial uses" as a Residential "issue" (problem) facing Venice.

It is possible that Mr. Barany erroneously referred to the VCP when he meant the Land Use Plan (LUP). The LUP includes language to ensure the "Preservation of existing housing stock, and discouragement of conversion of residential uses to commercial use where appropriate" on page 8.

On page 22 the VCP also references the Mello Act as a guide for local decision makers. The LUP references the Mello Act as a guiding document on a number of occasions throughout the document. As we stated in our previous letter, the State Mello Act law does not allow the conversion of a viable residential use to a non-coastal-dependent commercial use under any circumstances. It expressly prohibits it, as does the City's



Interim Administrative Procedures for Complying with the Mello Act, and the City's settlement agreement with Venice Town Council, et al.

In order to approve the conversion in a manner that would have been consistent with the Mello Act, the City would have had to make specific findings: that the proposed use is a coastal-dependent use and/or a residential use is no longer feasible on the site. The City never made those findings in their approval, and could not have legally done so according to the Mello Act settlement agreement.

At least as important, approving the project would set a precedent for Venice that any owner of a residential building who had illegally converted to a short-term rental use could apply for, and be granted, after-the-fact permits to operate a hotel.¹ According to the LAANE report, which is in the case file, there are at least 1,137 short-term rental listings in Venice. According to our count, there are 457 apartment units located just along Ocean Front Walk that currently have an allowed and permitted residential use, but are in commercial zones.

Unfortunately, a decent number of these rent-stabilized apartment units along Ocean Front Walk have been illegally converted into short-term rentals by Mr. Lambert's imitators—and some by Mr. Lambert himself. As of this moment, however, the City still has the legal authority to issue an order to comply and to move those units back onto the rental market. That opportunity would be lost at 2 Breeze, and we anticipate very quickly along all of Ocean Front Walk and throughout Venice, if you approve this permit. That says nothing of what would happen to apartments with less brazen owners who continue to operate as residential buildings for now, but are unquestionably watching this case very closely.

Mr. Lambert has said (in one of the correspondence in the case file) that this is insignificant because the units would not be affordable due to vacancy decontrol. While we find it amusing that Mr. Lambert would draw attention to the fact that his illegal and unfair business practices would give him a double-windfall—once from illegally converting to short-term rentals, and again when converting back to rent-stabilized apartments for which he found a backdoor into vacancy decontrol—we would like to clarify that we are not raising the affordability issue at all in this case.²

In fact, we do not feel compelled to ask you to look at the City's Mello Act determination in this case at all (as defective and error-riddled as it is), except insofar as a compliant LCP would require the City to outline its own role for enforcing its portion of the Coastal Act and other state laws, such as Mello, that govern land use in the Coastal Zone. If this permit is approved, a precedent would be set that would be so injurious to Venice, and would so undermine a key provision of the City's Coastal Zone land use responsibilities, that it would make it impossible for the City to prepare an acceptable LCP.

There is no substantive difference between this case and a potential deluge of similar cases just around the corner if Mr. Lambert prevails. We estimate a glut of owners would seek changes of use to commercial hotels. This case was a bad precedent waiting to happen, and it is unfortunate that the City of Los Angeles' defective land use enforcement has once again put you in this predicament...but here you are, and you must now decide how to rule on this case.

¹ According to Mr. Lambert's own estimation of daily rates for his illegal hotel, the increased fine imposed by the Coastal Commission is recouped

by him within less than one month, if he rents at a very conservative 2/3rds vacancy rate—that is not accountability, it is a slap on the wrist.

² Although, we can't help but point out that vacancy decontrol is just a snapshot in time. Within a decade, if a new tenant established tenancy and did not decide to leave, the apartment would be well below market again due to rent-stabilization.



We hope we do not need to persuade you that losing hundreds of currently-occupied and recently-occupied rent-stabilized apartments in Venice's Coastal Zone would substantially reduce coastal access for those who want or need to live near the beach, would decrease affordability, would intensify use in the supposedly low-density residential area just east of Ocean Front Walk, and would permanently alter the unique character of Venice, which you are mandated to help preserve and protect.

You must deny this permit due to the massive precedent it would set, the negative consequences of that precedent, and the resulting prejudice to the City's ability to prepare an LCP. Your staff has advised you to deny projects before on very similar grounds. On February 21, 2013 regarding a case in Newport Beach, you denied a CDP based on the fact that "the amendment would set a precedent for projects in the future...resulting in significant cumulative adverse impacts...and prejudice the City's ability to prepare a certified LCP" (NPB-MAJ-1-12).

On August 12, 2015 your staff recommended that you reject the application for 259 Hampton Drive in Venice (A-5-VEN-15-0038) on the grounds that "the project, as approved by the City of Los Angeles, would prejudice the City's ability to prepare a certified Local Coastal Program (LCP), and therefore will negatively impact coastal resources." In the same case, the staff advised you that "Additionally, such an approval would prejudice the City's ability to prepare an LCP because it in inconsistent with the certified LUP." The staff go on to cite a number of policies within the LUP.

Mr. Lambert's project is equally inconsistent with the LUP, as we have already demonstrated. The precedent would be disastrous for Venice's unique character and residential use areas. You must deny the permit.

Thank you in advance for your consideration.

Sincerely,

Bill Pryglucki

Bill Przylucki, Executive Director

October 28, 2015

Via EMAIL: zach.rehm@coastal.ca.gov

California Coastal Commission Coastal Staff & Coastal Commissioners 200 Oceangate, 10th Floor Long Beach, CA 90802

Re. OPPOSITION to CDP application for: 2 Breeze Ave (5-14-1932) Hearing date: Wednesday November 4, 2015 Agenda Item 17 a.

Dear Coastal Staff and Honorable Commissioners,

I have been asked by numerous concerned residents of Venice to provide factual information with respect to the Mello Act Compliance Determination and related processes performed by the City of L.A. for purposes of the 2 Breeze CDP application.

Please see attached Exhibits in that regard:

1. Applicable excerpts of the Mello Interim Administrative Procedures For Complying with the Mello Act in the Coastal Zone Portions of the City of Los Angeles

2. Applicable excerpt from CDP Determination Dated May 20, 2013, Coastal Development Permit Findings 3. September 14, 2012 Mello Determination Memorandum referred to in the CDP Finding in 2. above

It appears to be obvious that the City is derelict in its duty in performing its Mello Act Compliance Determination for this project, as it appears that the project does not comply with the City's own Interim Administrative Procedures and the Mello Act state law.

Many impacted citizens question whether the California State Coastal Commission can or should approve a CDP in light of this Finding of complete non-compliance.

It should also be noted that the Department of Building and Safety (DBS) did not revoke the Building Permit for the 2 Breeze Conversion from Apartments to Hotel when it was discovered that it was not authorized as all clearance requirements were not met as the State CDP had not yet been approved, as is required when the project is located in the Dual Permit Jurisdiction Coastal Zone. I believe that this is a violation of City codes and procedures, and that it should have been revoked as soon as they became aware of this DBS and City Planning error/omission.

Also, even though I am writing to you as an individual and <u>not</u> on behalf of the Venice Neighborhood Council or its Land Use and Planning Committee, as indicated in my signature plate below, I would like to note that, contrary to the assertion of the Applicant's lawyer, Steven H. Kaufmann, in his letter to you on October 15, 2015, I was not a member of the Venice Neighborhood Council or its Land Use and Planning Committee when a vote was taken for a recommendation on this project on April 16, 2013. I joined the Land Use and Planning Committee in October 2013 and was elected by the Community as Chair of the Land Use and Planning Committee and a member of the Venice Neighborhood Council Board in May 2014 (a 100% volunteer position).

Thank you for your consideration.

Sincerely yours,

Citizen Robin Best (Rudisill) As an individual and <u>not</u> on behalf of the Venice Neighborhood Council or its Land Use and Planning Committee

Exhibi71 1099

Alan Bell, C P Assoc Code Studies, Room 1540 Stop 395

INTERIM ADMINISTRATIVE PROCEDURES FOR COMPLYING WITH THE MELLO ACT

IN THE COASTAL ZONE PORTIONS OF THE CITY OF LOS ANGELES

APPROVED BY:	SIGNATURE:	DATE:
ANDREW A. ADELMAN General Manager Department of Building and Safety	and adeh	5/17/00
CON HOWE Director Department of City Planning	Conslowe	5/16/00
GARRY W. PINNEY General Manager Department of Housing	Gany W. Rinney	5/16/00

ALL CITY STAFF AND EMPLOYEES SHALL FOLLOW THESE PROCEDURES PURSUANT TO CITY COUNCIL RESOLUTION AND DEPARTMENTAL ORDERS

1.3. OVERVIEW OF THE MELLO ACT

The Mello Act was adopted by the State Legislature in <u>1982</u>. The Act sets forth requirements concerning the demolition, conversion and construction of housing within California's Coastal Zone. Each local jurisdiction shall enforce three basic rules:

- Rule 1. Existing residential structures shall be maintained, unless the local jurisdiction finds that residential uses are no longer feasible. A local jurisdiction may not approve the Demolition or Conversion of residential structures for purposes of a non-Coastal-Dependent, non-residential use, unless it first finds that a residential use is no longer feasible at that location.
- Rule 2. Converted or demolished Residential Units occupied by Very Low, Low or Moderate Income persons or families shall be replaced. Converted or demolished Residential Units occupied by Very Low, Low or Moderate Income persons or families shall be replaced on a one-for-one basis.
- Rule 3. New Housing Developments shall provide Inclusionary Residential Units. If feasible, New Housing Developments shall provide Inclusionary Residential Units affordable to Very Low, Low or Moderate Income persons or families.

These rules are subject to numerous exceptions and additional required feasibility determinations which complicate the administration of the Mello Act.

2.0 INITIAL SCREENING AND ROUTING

The Department of Building and Safety is responsible for the initial screening and routing of Non-Discretionary Applications. The Department of City Planning is responsible for the initial screening and routing of Discretionary Applications.

Public Counter staff at these Departments are hereby directed to develop the appropriate forms and procedures necessary to screen, route and track all Discretionary and Non-Discretionary Applications pursuant to steps one through six below.

2.1. STEP ONE. IDENTIFY COMMUNITY PLAN AREA.

Staff shall determine if a filed and deemed complete Discretionary or Non-Discretionary Application is located in the following Community Plan Areas: Brentwood-Pacific Palisades, Venice, Del Rey, Westchester-Playa Del Rey, San Pedro or Wilmington-Harbor City. If the Application is in one of these Community Plan Areas, go to step two.

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A potential and a potential an	2.6 STEP SIX. ROUTE NON-CATEGORICALLY EXEMPT APPLICATIONS TO THE DEPARTMENT OF CITY/PLANNING, ZONING ADMINISTRATION DIVISION (DCP/ZAD) FOR FURTHER MELLO ACT COMPLIANCE REVIEW AND PROCESSING.	Public Counter staff at the Departments of Building and Safety and City Planning shall route non-Categorically Exempt <u>Conversions</u> , <u>Demolitions</u> and <u>New Housing</u> <u>Developments</u> to the Department of City Planning, Zoning Administration Division (DCP/ZAD) for follow-up Mello Act compliance review, coordination and processing.	The Department of Building and Safety shall not issue any permits or other approvals until it has received clearance from the DCP/ZAD that the Applicant has satisfied all conditions set forth in the Mello Act and these Interim Administrative Procedures.	3 c f 9
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4.0 DEMOLITIONS AND CONVERSIONS

Assigned DCP/ZAD staff shall complete a Mello Act compliance review for each proposed Demolition and Conversion using the attached Mello Act Compliance Review Worksheet

INTERIM MELLO ACT ADMINISTRATIVE PROCEDURES 5.17.00 PAGE 10

(Attachment 2). This requirement applies to both Discretionary and Non-Discretionary Applications. Applicants are not permitted to complete this Worksheet.

The purpose of completing a Mello Act compliance review is to:

- Identify Applications to demolish or convert residential structures for purposes of a non-Coastal-Dependent, non-residential use. These Applications shall be denied unless the Applicant proves with substantial evidence that a residential use is not feasible at that location; and
- Identify the total number of Affordable Existing Residential Units that are proposed for Demolition or Conversion; and
- Determine the total number of required Affordable Replacement Units.

Each question on the Mello Act Compliance Review Worksheet is reproduced and further discussed below. Staff shall provide a written explanation for each answer recorded on the Worksheet, and attach all supporting documentation to the file. The results of each Mello Act compliance review shall be issued as a determination pursuant to Part 6.0.

Ш Ш DEMOLISHED OR CONVERTED FOR PURPOSES OF A NON-RESIDENTIAL STRUCTURES QUESTION #1, WILL RESIDENTIAL USE ? 4

jurisdiction first finds that a residential use is no longer feasible at that location. This The Mello Act states that the Demolition or Conversion of residential structures for purposes of a non-Coastal-Dependent, non-residential use is prohibited, unless the local prohibition applies to all residential structures, regardless of the following factors.

- The income of current or past occupants;
- The form of ownership (whether the Residential Units are for-sale units or rentals); and \Box
- Rents charged, for-sale prices, or appraised value.

If the answer to question #1 is "yes," and existing residential structures are proposed for Demolition or Conversion for purposes of a non-residential use, then staff shall go to question #2 to determine if the proposed use is Coastal-Dependent

If the answer to question #1 is "no," staff shall skip to question #4 to determine if any of the Residential Units proposed for Demolition or Conversion are occupied by Very Low.

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Low or Moderate Income Households. These Residential Units are termed, "Affordable Existing Residential Units."

4.2 QUESTION #2. IS THE PROPOSED NON-RESIDENTIAL USE COASTAL-DEPENDENT?

Coastal-Dependent uses are uses which requires a site on, or adjacent to, the sea in order to function at all, Examples of Coastal-Dependent uses include fisheries and boating and harbor facilities.

If the answer to question #2 is "yes," and the proposed non-residential uses are Coastal-Dependent, staff shall skip to question#4. The Demolition or Conversion may be approved, but only upon the condition the Applicant provides all required Affordable Replacement Units identified through the Mello Act compliance review process.

If the answer to question #2 is "no," and the proposed non-residential uses are not Coastal-Dependent, staff shall go to question #3.

4.3 QUESTION #3 IS A RESIDENTIAL USE FEASIBLE AT THIS LOCATION?

Because the site contains a residential structure, the City presumes that a residential use is feasible. The Applicant may challenge the City's presumption by presenting substantial evidence to the contrary directly to DCP/ZAD staff (for Non-Discretionary Applications); and to the decision-maker (for Discretionary Applications).

The following shall be considered in reviewing an Applicant's challenge of the City's presumption:

- □ The Applicant has the burden of proof. Proximity to other existing, viable residential uses is strong evidence that a residential use is feasible.
- An Applicant may not claim infeasibility merely because the site is zoned commercial. Commercial zones in the City of Los Angeles generally permit residential uses. However, in some cases a "Q" or "D" limitation may be imposed on a particular property which prohibits residential uses.
- □ If the existing, underlying zoning or any other applicable regulation prohibits all residential uses, then the Applicant may cite those facts if the Applicant is challenging the City's presumption. If an Applicant has non-conforming or other rights which permit a continued residential use, then the Applicant may not contend that the existing zoning renders a residential use infeasible.

INTERIM MELLO ACT ADMINISTRATIVE PROCEDURES 5.17.00 PAGE 12

- An Applicant may not initiate and obtain approval for a zone change which prohibits residential uses and subsequently claim infeasibility based on that zone change.
- if a Zoning Administrator had previously approved joint living and work quarters for An Applicant may not claim infeasibility merely because the site is zoned industrial that site. A Zoning Administrator's grant runs with the land
- that render a continued residential use infeasible. If challenging the City's An Applicant may not claim financial infeasibility unless it can clearly document an nability to rent or sell the current premises based on the site's unique characteristics or circumstances. Unique characteristics or circumstances include presumption, an Applicant may not cite mere proximity to commercial or industrial proximity to noxious and incompatible existing uses that are likely to remain, and uses. \Box
- An Applicant may claim infeasibility due to the site's unique geologic or other topographical features which render it unsafe for human habitation. Applicants must provide supporting documentation.
- dilapidated or are in a state of disrepair due to the Applicant's failure to make reasonable repairs or to adequately maintain the site. The City may require the An Applicant may not claim infeasibility because the current premises are Applicant to correct substandard conditions before it will further consider an Applicant's challenge of the City's presumption.

 \Box

If the Applicant has proved with substantial evidence that a residential use is infeasible, staff shall record a "no" answer to question #3, and go to question #4.

Review process. The Discretionary or Non-Discretionary Application shall be denied. A This stops the Mello Act Compliance If the Applicant has not proved with substantial evidence that a residential use is infeasible. determination shall be issued pursuant to Part 6.0. staff shall record a 'yes' answer to question #3.

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6.0 DETERMINATIONS

A determination shall be issued for each non-Categorically Exempt Demolition, Conversion, and New Housing Development.

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For Discretionary Applications, the decision-maker shall issue the determination as written conditions attached to the determination made with respect to the underlying case. All completed forms, correspondence received and sent, and other supporting documentation shall be attached to the file created for the underlying case.

For Non-Discretionary Applications, DCP/ZAD staff shall issue the determination as a Director's Determination. Staff shall also prepare a file, and attach all completed forms, correspondence received and sent, and other supporting documentation.

A copy of each determination shall be simultaneously transmitted to the Applicant, the Department of Building and Safety, LAHD, all building occupants, and:

Richard A. Rothschild Western Center on Law and Poverty, Inc. 3701 Wilshire Boulevard, Suite 208 Los Angeles, CA 90010-2809

6.1 DEMOLITIONS AND CONVERSIONS

Each determination shall include the following:

- Results of the Mello Act compliance review process completed in Part 4.0;
- Total number of Affordable Existing Residential Units identified by LAHD;
- Total number of required Affordable Replacement Units recorded on the Mello Act Compliance Review Worksheet;
- A requirement that the Applicant comply with the requirements set forth in Parts 7.2, 7.4, and 7.5;
- A statement that the Application is not approved until LAHD has approved the Affordable Housing Provision Plan prepared pursuant to Part 7.4; and

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□ Information for Appellants pursuant to Part 8.0.

8.0 APPEALS

Determinations may be appealed. The determination shall identify deadlines, filing fees, the appellate body, and other necessary procedures and requirements for considering the appeal.

Appellants have the burden of proof and shall present substantial evidence to support their appeal. A copy of the results of each appeal shall be simultaneously transmitted to the Applicant; the Department of Building and Safety, LAHD, all building occupants, and:

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8.1 DISCRETIONARY APPLICATIONS

The appeals procedures and appellate body shall be those connected to the underlying case.

8.2 NON-DISCRETIONARY APPLICATIONS

Appellants may appeal a Director's Determination using the forms and following the procedures promulgated by the DCP/ZAD. Until July 1, 2000, the appellate body shall be the Board of Zoning Appeals. After July 1, 2000, the appellate body shall be the Area Planning Commission.

8.3 DEPARTMENT OF BUILDING AND SAFETY ACTIONS

Appellants may appeal Department of Building and Safety decisions and determinations to the Board of Building and Safety Commissioners pursuant to Los Angeles Municipal Code Section 98.0403.1.

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The project is consistent with the special requirements for low and moderate income housing units in the Coastal Zone as mandated by California Government Code Section 65590 [Mello Act].

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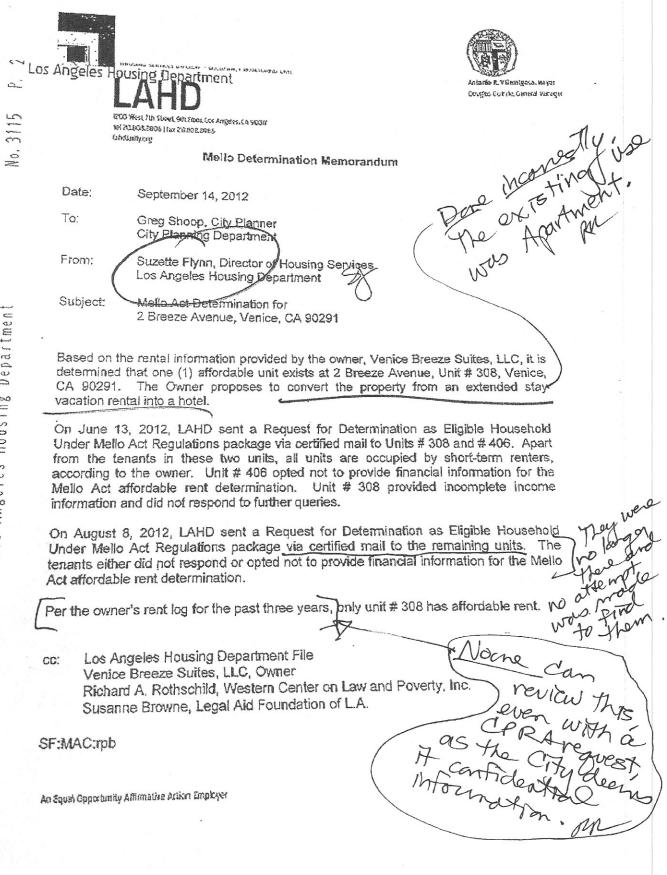
The Mello Act is a State law which mandates local governments to comply with a variety of provisions concerning the demolition, conversion, and construction of residential units in California's Coastal Zone. The Mello Act requires that very low, low and moderate income housing units that are demolished or converted must be replaced and that new residential developments must reserve at least 20 percent of all new residential units for low or very low income persons or families or reserve at least 10 percent of all new residential units for very low income persons or families.

The proposed project is located in the Coastal Zone, as defined in California Public Resources Code, Division 20 (commencing with Section 30000), as depicted on the City of Los Angeles Coastal Zone Maps. On September 14, 2012, the Los Angeles The Mello Act prohibits change of use or demolition projects that remove existing residential units (including market-rate residential units) for purposes of a new non-Housing Department issued a Mello Determination Memorandum which concluded PAGE 13 residential use unless the new use is coastal dependent. CASE NO. ZA 2012-2841(CDP)(CU)(ZV)(MEL) PUDDING 19 PL

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of approval requires the owner to record a covenant with LAHD to restrict one unit for moderate income use. As conditioned, the project is consistent with the Mello that there is one affordable unit (#308) located at the subject property. A condition No, drid not make Finding noted have Act.

Exhibit3



October 26, 2015 5:41 PM

Robin Rudisill <Chair-LUPC@venicenc.org> To: "zach.rehm@coastal.ca.gov Rehm" <Zach.Rehm@coastal.ca.gov> Cc: "jrgposte@aol.com D." <jrgposte@aol.com> Bcc: Robin Rudisill <wildrudi@mac.com> Fwd: CIS and Motion in support of Council File 14-1635-S2 with amendments from the Venice Neighborhood Council

3 Attachments, 446 KB

Hi Zach,

This email with the Venice Neighborhood Council Community Impact Statement regarding Short-Term Rentals was sent out on October 15th by Mike Newhouse's assistant. I told him to put you on the list of cc's but he did so only on the letter but not in the email sending the letter.

I just realized today that it was inadvertently not sent to you.

Thus, I'm forwarding the email and VNC letters to you now, and I ask that you please put this into the Coastal Commission's Meeting Agenda Addendum for 2 Breeze. It's very pertinent evidence to this CDP case, as it states, among many other things:

No conversions to "legal hotels" or "corporate housing" of residentially zoned, rent stabilized apartment buildings and multi-unit properties

This Motion was prepared via a very inclusive and detailed process, with several Public Hearings taking place over several weeks. Both the Venice Land Use and Planning Committee and the Venice Neighborhood Committee had Public Hearings and fully vetted the Motion and Community Impact Statement before sending it on to the VNC Board for the final Public Hearing. I know you're familiar with the role of the LUPC, but FYI, this is the role of the Neighborhood Committee:

Neighborhood Committee

This committee promotes greater awareness of available City resources and services and acts as a conduit between the Board and Venice neighborhoods, assisting in community outreach and bringing neighborhood issues to the attention of the Board.

This Venice Neighborhood Council recommendation and official City Council Community Impact Statement, which can be found as a featured item on the City Clerk's official website for all documentation with respect to this City Council Motion, was approved by the Venice Neighborhood Council Board on September 15, 2015 by a landslide vote: 11-1-1.

Robin Rudisill

Venice Neighborhood Council Land Use and Planning Committee, Chair (310) 721-2343 Víva the Veníce Víbe!

Begin forwarded message:

From: VNC Assistant <vncassistant@venicenc.org> Subject: CIS and Motion in support of Council File 14-1635-S2 with amendments from the Venice Neighborhood Council Date: October 15, 2015 8:36:22 PM PDT To: mike.bonin@lacity.org Cc: mayor.garcetti@lacity.org, councilmember.wesson@lacity.org, councilmember.krekorian@lacity.org, councilmember.koretz@lacity.org, councilmember.fuentes@lacity.org, councilmember.price@lacity.org, councilmember.ofarrell@lacity.org, councilmember.buscaino@lacity.org, jesus.d.orozco@lacity.org, michael.logrande@lacity.org, faisal.roble@lacity.org, kevin.jones@lacity.org, Claire.Bowen@laCity.org, Ken.Bernstein@lacity.org, charles.lester@coastal.ca.gov, steve.hudson@coastal.ca.gov, cposner@coastal.ca.gov, al.padilla@coastal.ca.gov, tricia.keane@lacity.org, LUPC <LUPC@venicenc.org>, rushmore.cervantes@lacity.org, anna.ortega@lacity.org, jeff.paxton@lacity.org, Mike.feuer@lacity.org, Capri.maddox@lacity.org, coucilmember.cedillo@lacity.org, councilmember.blumenfield@lacity.org, councilmember.ryu@lacity.org, councilmember.martinez@lacity.org, councilmember.harris-dawson@lacity.org, ouncilmember.englander@lacity.org, councilmember.huizar@lacity.org, lisa.webber@lacity.org, david.weintraub@lacity.org, Board <board@venicenc.org>, councilmember.englander@lacity.org, linn.wyatt@lacity.org, john.ainsworth@coastal.ca.gov, Debbie.DynerHarris@lacity.org

Dear Councilmember Bonin:

Attached please find a letter and CIS from the Venice Neighborhood Council re: Motion in support of Council File 14-1635-S2 with amendments.

Thank you for your time and consideration.

Sincerely,

Michael Newhouse President Venice Neighborhood Council

Motion in s...nts (204 KB)

Venice_Com...-S2 (223 KB)



PO Box 550, Venice, CA 90294 / www.VeniceNC.org Email: info@VeniceNC.org / Phone or Fax: 310.606.2015



October 14, 2015

Council Member Mike Bonin Room 475 Los Angeles City Hall 200 N. Spring Street Los Angeles, CA 90012

RE: Motion in support of Council File 14-1635-S2 with amendments

Dear Councilmember Bonin:

This will advise that at a regularly scheduled meeting of the Venice Neighborhood Council's (VNC) Board of Officers on September 15, it was moved and passed by the Venice Neighborhood Council as follows:

MOTION:

The Venice Neighborhood Council thanks Council members Bonin, Koretz and Wesson for their short-term rentals motion (<u>Council File: 14-1635-S2</u>) and for taking this important step toward reining in the proliferation of commercial short-term rentals that have impacted the affordable housing stock in Venice and the quality of life in our neighborhoods. We appreciate the goal of differentiating sharing of a primary residence from commercial exploitation and the Council's responsiveness to our prior motions regarding this issue.

Whereas: Venice is the City's most severely impacted neighborhood in Los Angeles, with 1,118 non-owner-occupied short-term rentals (STRs), while approximately 822 more, non-duplicate, entire apartments or homes are listed on the other 22 on-line platforms serving Venice, and we are losing affordable and Rent Stabilized housing to STRs at an alarming rate¹, and

Whereas: STRs are impacting the quality of life in neighborhoods throughout Los Angeles and City enforcement and regulation is urgently needed, and

¹ Roy Samaan,LAANE Policy Brief: Short--Term Rentals and Los Angeles' Lost Housing, July, 2014, supplement to "Airbnb, Rising Rent, and the Housing Crisis in Los Angeles," (LAANE, 2014)



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Whereas: City Council Motion 14-1635-S2:

- Authorizes a host to rent all or part of their primary residence to short-term visitors, permitting someone to rent a spare room, a back house, or even their own home while they are out of town.
- Prohibits hosts from renting units or buildings that are not their primary residence or are units covered by the Rent Stabilization Ordinance (RSO), forbidding speculators from creating a syndicate of short-term rental properties, and prohibiting the loss of valuable rental housing stock.

Therefore, be it Resolved, the Venice Neighborhood Council supports the concept of owner-occupied home sharing and asks that the first bullet of Motion 14-1635-S2 above be modified to say:

Authorizes a host to rent part of their primary residence to shortterm visitors, permitting someone to rent a spare room or a back house, so long as the owner also occupies the house.

We urge <u>Council members</u> Bonin, Koretz, Wesson and the entire City Council to take additional assertive actions to protect our endangered affordable housing and RSO housing stock, and to protect home sharing from speculators and profiteers who are undermining its success. We ask

that the City immediately begin enforcing current zoning and occupancy laws that outlaw short-term rentals for fewer than 30 days in residential neighborhoods

The Venice Neighborhood Council further suggests that while motion 14-1635-S2 is a positive step forward, it is incomplete as written because it does not include suggestions to enhance regulation and enforcement of STRs. We suggest the following list of recommendations be reviewed for inclusion in any final ordinance (see list below and linked report) "Suggestions from the Venice Neighborhood Council on Regulating Short-Term Rentals" at <u>www.venicenc.org/wp-</u>

content/uploads/2012/09/150903 Attachment Motion-CIS 14-1635-S2 ShortTermRentals.pdf). We further suggest that this list be expanded through a series of regional meetings to be held throughout the City to gather additional input.



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Any new ordinance regulating Short Term Rentals should include the above referenced link which details the following items:

- 1 Must be primary residence, owner occupied required 2. No grandfathering or amnesty for existing STRs and de facto "hotels"
- 3. No rent stabilized properties (RSO properties) should be permitted to operate as a STR
- 4. Mello Act provisions must be strictly adhered to
- 5. No conversions to "legal hotels" or "corporate housing" of residentially zoned, rent stabilized apartment buildings and
- multi-unit properties
- 6. Neighborhood specific density caps
- 7. Posting of STR contact information
- 8. Parking for STR occupants
- 9. STRs must comply with applicable noise ordinances
- 10. Health and Safety Regulations
- 11. Eviction and remedies available to Home-Sharers
- 12. Protection of Home-Sharing service workers
- 13. A New STR Oversight Department should be created within the City to unify STR permitting, collection of fees (including TOT) and enforcement of STR regulations
- 14. An STR permit should be required for the operation of an STR
- 15.A Home-Sharing/STR Enforcement Unit should be created
- 16. Owners and/or Third-Party Service Agents of all STR units to be offered for rental must report monthly
- 17. STRs listed for rental shall include their Permit Number in advertisements
- 18. Fines for operating an STR without a permit, non-payment of STR TOT and non-reporting
- 19. Tiered Performance Standards
- 20. Citizens will be allowed the Right of Private action

ACTION: Motion made by Marc Saltzberg, seconded by Kristopher Valentine. Motion approved 11-1-1.

Sincerely,

hil R. Menhe

Mike Newhouse President Venice Neighborhood Council



PO Box 550, Venice, CA 90294 / www.VeniceNC.org Email: info@VeniceNC.org / Phone or Fax: 310.606.2015



Cc:

Mayor Eric Garcetti: mayor.garcetti@lacity.org

City Council:

Council President Herb Wesson: <u>councilmember.wesson@lacity.org</u> Council Member Gil Cedillo: <u>councilmember.cedillo@lacity.org</u> Council Member Paul Krekorian: <u>councilmember.krekorian@lacity.org</u> Council Member Bob Blumenfield: <u>councilmember.blumenfield@lacity.org</u> Council Member David Ryu: <u>councilmember.ryu@lacity.org</u> Council Member Paul Koretz: <u>councilmember.koretz@lacity.org</u> Council Member Nury Martinez: <u>councilmember.martinez@lacity.org</u> Council Member Felipe Fuentes: <u>councilmember.fuentes@lacity.org</u> Council Member Marqueece Harris-Dawson: <u>councilmember.harrisdawson@lacity.org</u> Council Member Curren Price: <u>councilmember.price@lacity.org</u> Council Member Mitchell Englander: <u>councilmember.englander@lacity.org</u> Council Member Mitch O'Farrell: <u>councilmember.ofarrell@lacity.org</u> Council Member Jose Huizar: <u>councilmember.huizar@lacity.org</u> Council Member Jose Huizar: <u>councilmember.huizar@lacity.org</u>

Council District 11

Council Member Mike Bonin: <u>mike.bonin@lacity.org</u> Field Deputy – Del Rey & Venice, Jesus Orozco, jesus.d.orozco@lacity.org

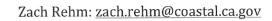
L.A. Department of City Planning: Michael LoGrande: michael.logrande@lacity.org Lisa Webber: lisa.webber@lacity.org Faisal Roble: faisal.roble@lacity.org David Weintraub: david.weintraub@lacity.org Linn Wyatt: linn.wyatt@lacity.org Kevin Jones: kevin.jones@lacity.org Claire.Bowen@laCity.org Ken.Bernstein@lacity.org

<u>California Coastal Commission:</u> Charles Lester: <u>charles.lester@coastal.ca.gov</u> Jack Ainsworth: <u>john.ainsworth@coastal.ca.gov</u> Steve Hudson: <u>steve.hudson@coastal.ca.gov</u> Teresa Henry: <u>teresa.henry@coastal.ca.gov</u> Chuck Posner: <u>cposner@coastal.ca.gov</u> Al Padilla: <u>al.padilla@coastal.ca.gov</u>



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Council District 11:

Tricia Keane: <u>tricia.keane@lacity.org</u> Debbie Dyner Harris: <u>debbie.dynerharris@lacity.org</u> Chuy Orozco: jesus.d.orozco@lacity.org

<u>Venice Neighborhood Council:</u> Venice Neighborhood Council Board: <u>board@venicenc.org</u> Land Use & Planning Committee: LUPC@venicenc.org

<u>Housing:</u> rushmore.cervantes@lacity.org anna.ortega@lacity.org jeff.paxton@lacity.org

<u>City Attorney:</u> Mike.feuer@lacity.org Capri.maddox@lacity.org



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October 9, 2015

COMMUNITY IMPACT STATEMENT

COUNCIL FILE 14-1635-S2

TO: The Honorable City Council of Los Angeles and Committees in c/o the Office of the City Clerk at the Los Angeles City Hall 200 North Street, Los Angeles, CA 90012

The Venice Neighborhood Council requests that the following Community Impact Statement be attached to Council File 14-1635-S2.

On September 15, 2015, by a vote of 11-1-1, the Venice Neighborhood Council urges the City Council to support 14-1635-S2 if the following change is made:

Change From:

• Authorizes a host to rent all or part of their primary residence to short-term visitors, permitting someone to rent a spare room, a back house, or even their own home while they are out of town.

Change To:

• Authorizes a host to rent part of their primary residence to short-term visitors, permitting someone to rent a spare room or a back house, so long as the owner also occupies the house.

We also urge the City Council to take additional actions to protect our endangered affordable housing and RSO housing stock, and to protect home sharing from speculators and profiteers who are undermining its success.

We ask that the City immediately begin enforcing current zoning and occupancy laws that outlaw short-term rentals for fewer than 30 days in residential neighborhoods.

We also make suggestions that apply to creating a system of regulations and enforcement under 14-1635-S2.

MOTION:

The Venice Neighborhood Council thanks Council members Bonin, Koretz and Wesson for their short-term rentals motion (Council File: 14-1635-S2) and for taking this important step toward reining in the proliferation of commercial short-term rentals that have

impacted the affordable housing stock in Venice and the quality of life in our neighborhoods. We appreciate the goal of differentiating sharing of a primary residence



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from commercial exploitation and the Council's responsiveness to our prior motions regarding this issue.

Whereas: Venice is the City's most severely impacted neighborhood in Los Angeles, with 1,118 non-owner-occupied short-term rentals (STRs), while approximately 822 more, non-duplicate, entire apartments or homes are listed on the other 22 on-line platforms serving Venice, and we are losing affordable and Rent Stabilized housing to STRs at an alarming rate¹, and

Whereas: STRs are impacting the quality of life in neighborhoods throughout Los Angeles and City enforcement and regulation is urgently needed, and

Whereas: City Council Motion 14-1635-S2:

- Authorizes a host to rent all or part of their primary residence to short-term visitors, permitting someone to rent a spare room, a back house, or even their own home while they are out of town.
- Prohibits hosts from renting units or buildings that are not their primary residence or are units covered by the Rent Stabilization Ordinance (RSO), forbidding speculators from creating a syndicate of short-term rental properties, and prohibiting the loss of valuable rental housing stock.

Therefore, be it Resolved, the Venice Neighborhood Council supports the concept of owner-occupied home sharing and asks that the first bullet of Motion 14-1635-S2 above be modified to say:

Authorizes a host to rent part of their primary residence to short-term visitors, permitting someone to rent a spare room or a back house, so long as the owner also occupies the house.

We urge Council members Bonin, Koretz, Wesson and the entire City Council to take additional assertive actions to protect our endangered affordable housing and RSO housing stock, and to protect home sharing from speculators and profiteers who are undermining its success. We ask that the City immediately begin enforcing current zoning and occupancy laws that outlaw short-term rentals for fewer than 30 days in residential neighborhoods

The Venice Neighborhood Council further suggests that while motion 14-1635-S2 is a positive step forward, it is incomplete as written because it does not include suggestions to enhance regulation and enforcement of STRs. We suggest the following list of recommendations be reviewed for inclusion in any final ordinance. We further suggest that this list be expanded through a series of regional meetings to be held throughout the City to gather additional input.

¹ Roy Samaan,LAANE Policy Brief: Short--Term Rentals and Los Angeles' Lost Housing, July, 2014, supplement to "Airbnb, Rising Rent, and the Housing Crisis in Los Angeles," (LAANE, 2014)



5.

Venice Neighborhood Council

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1. **Must be primary residence, owner occupied required** Absolutely no investment property owners or owners with 2nd (and 3rd and 4th) "homes." Many STRs are currently commercial operations with multiple units offered for rent, often in separate structures. These STRs frequently resemble hotels rather than residential properties.

Most of these commercial operators currently claim to be "hosts" and to live on their properties. However, the majority of these commercial operators do not live on the property, or live there only a few days out of the year. Many operate multiple short-term rentals as a commercial enterprise and falsely claim "guests" are family members or friends. Regulations designed to end this practice must be incorporated into the motion to insure that no loophole allowing this practice to continue is created.

No grandfathering or amnesty for existing STRs and de facto "hotels" Existing STR's should not be granted amnesty. Rather they should be required to begin an application process and required to register with the City under any new ordinance(s) or regulations to insure that current operators of STRs are barred from continuing operation. No commercial operators should be permitted.

No rent stabilized properties (RSO properties) should be permitted to operate as an <u>STR</u> City Council must clarify how this will be accomplished and how to ensure that RSO units are not converted to short-term rentals. One solution would be to enact the proposed Rent Registry, which would record occupancy and rental amount on every RSO unit, as a matter of course, on an annual basis. This will give city departments the data necessary to evaluate if a unit has been illegally converted from RSO.

Mello Act provisions must be strictly adhered to Special Coastal Zone provisions in any new short-term rental regulations should implement the protections of the Mello Act. The three Coastal Zone neighborhoods within the City (Venice, San Pedro, and Pacific Palisades) warrant special attention, and possibly an exemption from this ordinance in favor of stricter rules. The Mello Act, a state law, expressly prohibits the conversion of residential housing to non-residential uses in most circumstances. An RSO building owner currently operating an illegal hotel (which we have many of in Venice) cannot be granted the required zoning changes, permits or certificates of occupancy to convert their operation to a legal hotel, because the Department of City Planning would be compelled by the Mello Act to deny these requests. Currently, many operators of STRs are operating without the required zoning, certificates of occupancy, or permits to operate a commercial hotel. Therefore, in the Coastal Zone especially (and throughout the City, as a matter of good public policy), the Council should first address how to bring all residential properties into compliance with applicable laws and rules, including the Mello Act. Secondly, the City should address if and how a property owner could operate an STR legally. If no measures can be found, we have no choice but to ban STR's in the Coastal Zone, in accordance with State Law and in the interest of protecting our neighborhoods and residential housing stock.

No conversions to "legal hotels" or "corporate housing" of residentially zoned, rent stabilized apartment buildings and multi-unit properties. This is a violation of the





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Mello Act and removes long-term affordable and rent stabilized housing from the long-term rental stock.

- 6. **Neighborhood specific density caps** In order to protect quality of life, neighborhood stability and neighborhood diversity, the burden of STRs must be shared fairly by all residential neighborhoods. Limits must be placed on the number and concentration of STRs in any given residential neighborhood.
- 7. <u>Posting of STR contact information</u> A sign with the name, phone number, email address and mailing address of an emergency contact (who shall be available 24/7) shall be posted in a public viewable location on the STR's premises whenever the STR is occupied.
- 8. <u>Parking for STR occupants</u> STRs shall supply parking spaces in accordance with standards set by the City Council and other regulatory agencies (such as the California Coastal Commission).
- STRs must comply with applicable noise ordinances STR contracts must inform STR renters of applicable noise ordinances. Fines for excessive noise shall be levied to insure compliance. Noise complaints shall be tracked and repeated complaints shall be grounds for revoking an STR Permit.
- 10. <u>Health and Safety Regulations</u> The City shall establish health and safety regulations as are necessary to protect Renters of STRs
- 11. Eviction and remedies available to Home-Sharers The City shall establish regulations as necessary to protect home-sharers from renters. Such protections shall include a right of eviction for non-payment of fees and property damage claims.
- 12. <u>Protection of Home-Sharing service workers</u> The City shall establish regulations as necessary to protect the health and safety of STR service workers.
- 13. <u>A New STR Oversight Department should be created within the City to unify STR</u> permitting, collection of fees (including TOT) and enforcement of STR regulations
- 14. An STR permit should be required for the operation of an STR Permits would be issued by the new STR Oversight Department to properties that qualify under the STR ordinance and to qualified applicants who agree to provide reporting of STR activities, payment of the STR TOT and abide by STR regulations. Permits would not be issued without complete registration information including provision of certificates of insurance, STR address, owner name, contact information, emergency contact information, number of STR units on-site, number of parking spaces available for STR's, etc should be collected.as well as any other permitting requirements deemed necessary by the city. The city should consider whether STR Permit applicants should advertise a pending application to their neighbors to allow for comment prior to issuing a permit.

A permitting fee would be collected with the permit application. A permit number will be issued at the time the permit is issued.



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- 15. <u>A Home-Sharing/STR Enforcement Unit should be created within the STR Oversight</u> <u>Department</u> The Enforcement Unit would house STR enforcement staff who will inspect properties, maintain registration data and regulatory reports, issue fines, investigate complaints and initiate legal action as necessary to insure that the City's STR regulations are complied with. The STR Enforcement Unit should be self-financed by permit fees for new STRs and adding a fee to the TOT that applies to STRs.
- 16. <u>Owners and/or Third-Party Service Agents of all STR units to be offered for rental</u> <u>must report monthly</u> Owners and Internet platforms, agents, realtors and others receiving payments from STR rental activity shall report such activity monthly. Using the permit number to identify the STR, they will report the number of occupancies, the dates of each occupancy, the number of renters per unit per occupancy, the names of the occupants, the number of vehicles per unit per occupancy, the rent charged per occupancy, the amount received per occupancy, STR TOT due per occupancy, and any other information required by the STR Coordinating Department. A check for the total STR TOT due for the month must be included with the report.
- 17. <u>STRs listed for rental shall include their Permit Number in advertisements</u> Internet platforms, websites, realtors and other parties advertising STRs for rent should identify the STR in its advertisement with the Permit Number issued to the STR operator. No STR may be listed as available for rent in the City of Los Angeles without a valid Permit Number.
- 18. Fines for operating an STR without a permit, non-payment of STR TOT and nonreporting Fines shall be levied for not reporting as required and / or non-payment of the STR TOT. The fines assessed should be sufficient to deter non-reporting / non-payment and should escalate for continued infractions.
- 19. <u>Tiered Performance Standards</u> A "three-strike" system in which properties that incur ongoing, verifiable complaints will receive escalating penalties and loss of ability to rent as an STR.
- 20. Citizens will be allowed the Right of Private Action

Yours truly,

R. Menhe

Mike Newhouse President Venice Neighborhood Council

October 26, 2015 via Zach.Rehm@coastal.ca.gov

RE: ZA-2012-2841-CDP-CU-ZV-Mel -Venice Breeze Suites

To the Members of the California Coastal Commission:

As immediate past president emeritus of the Venice Neighborhood Council, I am the signatory to the May 15, 2013 VNC letter approving the conversion of 2 Breeze Avenue, I am writing to express my sincere regret for the short sighted action of the VNC during my tenure as president.

At the time, although it was known that Mr. Lambert's illegal "hotel" had historically been occupied by permanent, lower income, rent stabilized tenants, it was not obvious that our board's action was precedent setting and that many other residentially zoned, older beach area apartment buildings would soon also be illegally converted, as have close to 2000 other units! Had we the foresight to see the big picture, and not give Mr. Lambert a pass because he is a nice guy, because the apartments were remodeled nicely, and because no one was aware of the many other conversions in the pipeline, I am sure the board would not have voted to approve the project.

The proliferation of short term rentals in Venice is rapidly and drastically changing the fabric of a historically close, primarily residential beach neighborhood where knowing your neighbors is essential for your safety. The balance of residential and commercial uses is a high priority and visitors from around the world are always welcomed. But, the loss of a socially, economically and culturally diverse residential neighborhood, where I lived from 1970-2012 and. Because I knew every neighbor, safely raised my children, is catastrophic to the social ecology of Venice Beach.

It's bad enough that as many as ½ the properties on any short block west of Main Street have become de-facto hotels. It is almost worse that the owners of older, large apartment buildings on or very near the boardwalk, with no onsite parking and therefore low rents, are eliminating their longtime tenants in a feeding frenzy, by hook or by crook, merely to make more money, with no respect for the law, the neighbors, or cultural, racial, class, or economic diversity: the very qualities that define the uniqueness of our community.

Please do not buy the argument that Venice is hotel poor and needs more hotel rooms to justify illegal activity. Or, if you believe Venice needs more hotels, be aware that plans for several new hotels are moving forward **legally**, so **illegal activity should not be rewarded because you will broadcast the message that it's alright to break the law to make more money, and that your Commission condones it**, unforgivably as my VNC board did in 2013. You have more information now that we did then, so please heed the warnings of many who are trying so hard to maintain the unique identity of our neighborhoods. Although few of us attend regular CCC meetings, hundreds would have been present for this meeting, had it been held in LA, as happened at each of the three failed attempts to impose overnight parking districts a few years ago.

**Please ask Mr. Lambert how many other beach area apartment buildings he and his partners alone have purchased and are in the process of illegally converting. The answer will confirm what I am telling you. People I know personally live in several of them and live in fear or have already been evicted. Please do not encourage acting first and asking for forgiveness after the fact. It's an immoral scam.

Most sincerely,

Linda Lucks

Linda Lucks, 13100 Maxella Avenue, Marina del Rey, CA 90292 cell: 310-505-4220

CALIFORNIA COASTAL COMMISSION

South Coast Area Office 200 Oceangate, Suite 1000 Long Beach, CA 90802-4302 (562) 590-5071



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STAFF REPORT: REGULAR CALENDAR

Application Number:	5-14-1932
Applicant:	Carl Lambert
Agents:	Donald Alec Barany Architects and McCabe and Company
Project Location:	2 Breeze Avenue, Venice, City of Los Angeles, Los Angeles County (APN No. 4226-003-001).
Project Description:	After-the-fact request for change of use from 31-unit apartment building to transient occupancy residential building with 30 short term rental units and one moderate cost apartment unit; and improvements to lobby and roof-deck.
Staff Recommendation:	Approval with conditions.

SUMMARY OF STAFF RECOMMENDATION

Carl Lambert requests after-the-fact approval to convert the use of a 31-unit apartment building to a transient occupancy residential building (hotel) with 30 short-term rental units (hotel rooms) and one moderate cost apartment unit. The building faces Ocean Front Walk (the Venice boardwalk) in Los Angeles. The applicant also proposes improvements to the lobby, interior renovation, and roof-deck of the 85-year old four-story brick building.

Proposals to change the uses of residential buildings to non-residential (hotel) uses may be found to improve public access to the coast, but must be considered in the context of the existing character and development plan for the area, including both physical and social considerations. Coastal Act Section 30253(e) requires that "new development shall...where appropriate, protect special communities and neighborhoods that, because of their unique characteristics, are popular

visitor destination points for recreational uses." The Commission certified the Venice Land Use Plan on June 14, 2001 but has not certified an Implementation Plan. The Land Use Plan contemplates potential conversions of residential buildings into commercial uses (specifically hotels and hostels), but also identifies preservation of existing housing stock as a priority.

In this case, the proposed building conversion would result in the loss of 30 rental housing units, which project opponents argue were previously affordable units but which the applicant states he could currently rent for \$3,000 to \$4,000 per month. The transient occupancy residential (hotel) units vary in rental price based on the size and orientation of the room (ocean fronting or not), and based on the day and season, but can be generally categorized as moderate in price. The applicant's rate sheet indicates that room rates vary from approximately \$160 to \$350 per night. The applicant's analysis of hotels in Venice estimated an average daily rate of \$182 in Venice at year end 2014. The applicant states that all of his hotel rooms feature kitchens, accommodate up to six guests, and that he provides free wireless internet and other amenities that other hotels typically charge extra fees for. The site is designated as Community Commercial in the certified Venice Land Use Plan and LUP Policy I.B.6. states that overnight visitor-serving uses, such as hotels and youth hostels, are preferred uses in the Community Commercial land use category.

The building was constructed in 1930 without any vehicle parking and the site does not have space for any vehicle parking. The applicant provides up to 20 vehicle parking spaces for free use of guests at off-site locations which he leases month-to-month. Additionally, the applicant provides free use of bicycles for guests and encourages guests and employees to use alternative forms of transportation. Based on the tables in the Commission's Regional Interpretive Guidelines and the Venice Land Use Plan, the proposed hotel use will result in a reduction in parking demand (and associated parking requirements) compared to the existing residential use. The Commission has previously found that proposals to change the use of existing buildings in Venice to uses with a reduced parking demand will not have an adverse effect on the public's ability to access the shoreline.

Commission staff recommends **approval** of Coastal Development Permit Application No. 5-14-1932, as conditioned to require the applicant to undertake development in accordance with the approved permit, implement the transportation demand management program included in the application, and pay the balance of the application fee for after-the-fact development.

<u>Note</u>: The applicant submitted a fee of \$6,576 with his coastal development permit application on December 22, 2014. The application included an estimated cost of development of \$120,000. Upon further discussions with staff, the applicant acknowledged that he completed a \$4,000,000 renovation in 2009, which included remodeling all 31 units to adapt them to their current (unpermitted) hotel uses (and one apartment). The physical improvements subject to this application, including the renovated hotel rooms, the lobby, and the roof-deck, have been constructed and the applicant has been operating the building as a hotel without the benefit of a coastal development permit for more than six years. Based on the filing fee schedule, the fee for development cost of \$2,000,001 to \$5,000,000 is \$21,920, which shall be multiplied by five times for applications which include after-the-fact development, unless the fee is reduced by the Executive Director pursuant to Section 13055(i) of the California Code of Regulations. The Executive Director reduced the after-the-fact fee to two times the application fee. Therefore, the required application fee is \$43,840. Special Condition 3 requires the applicant to pay the balance of \$37,264.

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APPENDICES

Appendix A – Substantive File Documents

EXHIBITS

- Exhibit 1 Vicinity Map
- Exhibit 2 Photos
- Exhibit 3 Proposed Plans
- Exhibit 4 Local Coastal Development Permit
- Exhibit 5 Los Angeles Housing and Community Investment Department Complaints
- Exhibit 6 Mello Act Memorandum
- Exhibit 7 Certificates of Occupancy
- Exhibit 8 Applicant's Room Rate Sheet and Hotel Market Analysis
- Exhibit 9 Letters in Support of the Project
- Exhibit 10 Letters in Opposition to the Project

I. MOTION AND RESOLUTION

Motion:

I move that the Commission **approve** *Coastal Development Permit Application No. 5-14-1932 subject to the conditions set forth in the staff recommendation.*

Staff recommends a **YES** vote of the foregoing motion. Passage of this motion will result in conditional approval of the permit and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution:

The Commission hereby approves Coastal Development Permit No. 5-14-1932 for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that will substantially lessen any significant adverse impacts of the development on the environment.

II. STANDARD CONDITIONS

This permit is granted subject to the following standard conditions:

- 1. **Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the applicant or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- 2. **Expiration**. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
- 3. **Interpretation**. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
- 4. **Assignment**. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.

5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the applicant to bind all future owners and possessors of the subject property to the terms and conditions.

III. SPECIAL CONDITIONS

This permit is granted subject to the following special conditions:

- 1. **Approved Development.** Coastal Development Permit 5-14-1932 only authorizes the development expressly described and conditioned herein, which includes 30 hotel units and one apartment unit. No restaurant or commercial food/beverage service is permitted on the site. All units contain kitchens and at least 20 units include sofa/futon type pullout beds. The applicant shall undertake development in accordance with the approved coastal development permit. Any proposed changes to the development shall be reported to the Executive Director. No changes to the approved development shall occur without a Commission-approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.
- 2. **Parking and Transportation Demand Management Program.** In order to protect nearby public parking facilities from the parking impacts of the proposed development and to maximize public access to the coast, the applicant shall:
 - A. Maintain a minimum of six (6) bicycles on-site and provide free use of bicycles for hotel guests.
 - B. Provide free secure bicycle storage for hotel guests and employees who bring their own bicycles.
 - C. Provide incentives for employees to carpool and ride public transit to and from work. The applicant shall reimburse the full transit fares for employees using public transit.
 - D. Provide free Big Blue Bus tokens for guests.
 - E. Encourage and provide incentives for guests to utilize alternative transportation, including Venice Electric Shuttle Free Ride, public taxis, mobile rideshare applications, and future City Bike Share locations.

The applicant shall feature these alternative transportation incentives prominently on the hotel's website and shall inform all hotel guests and employees of their availability.

3. **Application Fee.** PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicant shall pay the balance of the application fee for after-the-fact development, which equals \$37,264.

IV. DUAL PERMIT JURISDICTION AREA

Within the areas specified in Section 30601 of the Coastal Act, which is known in the City of Los Angeles permit program as the *Dual Permit Jurisdiction* area, the Coastal Act requires that any development which receives a local coastal development permit also obtain a second (or "dual") coastal development permit from the Coastal Commission. The Commission's standard of review for development in the *Dual Permit Jurisdiction* area is the Chapter 3 policies of the Coastal Act. For projects located inland of the areas identified in Section 30601 (i.e., projects in the *Single Permit Jurisdiction* area), the City of Los Angeles local coastal development permit is the only coastal development permit required.

In this case, the project site is within the *Dual Permit Jurisdiction* area. The applicant obtained local Coastal Development Permit No. ZA-2012-2841-CDP CU-ZV-MEL from the City of Los Angeles on May 20, 2013.

V. FINDINGS AND DECLARATIONS

A. PROJECT DESCRIPTION

Carl Lambert requests after-the-fact approval to convert the use of a 31-unit apartment building to a transient occupancy residential building with 30 short-term rental units and one moderate cost apartment unit. The existing four-story, 49'6" high, 15,408 square foot brick masonry building was constructed in 1930 and received a certificate of occupancy for 30 apartment units. The applicant purchased the property in 2007 and states that the previous owner illegally converted the apartment building into a hotel.

The building is being operated as a hotel (Venice Breeze Suites) by the current owner's management company, with units available for rent by the night, the week, or the month. Units are rented on-site, by phone, and online. Prices range from \$160 per night for a weekly rental of a studio in the winter to \$350 per night for a weekend rental of a one-bedroom ocean-fronting unit in the summer. The applicant states all units have kitchens and can accommodate up to six visitors. The applicant provides extra bedding for sofas, futons, and roll away beds at no charge. The applicant's analysis characterizes the hotel as moderate cost compared to other hotels in Venice.

The building is constructed nearly lot-line to lot-line on a flat 4,398 square foot lot (Lot 1, Block 2, Country Club Tract) in the North Venice subarea within the City of Los Angeles Dual Permit Jurisdiction area (**Exhibit 1**). The lot is zoned C1-1 (Commercial) in the Los Angeles Municipal Code and designated Community Commercial by the certified Venice Land Use Plan. The front door is accessed from Breeze Avenue, near the street end abutting Ocean Front Walk (the Venice boardwalk). There is a 36-foot long façade adjacent to the boardwalk but no entry-point there. A secondary entry to the building is located at Speedway alley (**Exhibit 2**). There is currently no parking on-site and the applicant proposes no parking on-site.

The applicant also requests after-the-fact approval of a roof-deck with an approximately 550 square foot area for outdoor cooking and seating. The applicant states that the deck is available for guest use and is not operated as a restaurant or bar. There is an existing roof access stairway

enclosure and elevator equipment area atop the roof. The proposed plans include a new ladder and landing to the fire escape adjacent to Ocean Front Walk and new guardrails around the perimeter of the deck (**Exhibit 3**).

Finally, the applicant requests after-the-fact approval for interior improvements, principally completed in 2009, including renovation of all 31 units and improvements to the lobby and ground floor to establish ADA compliance (Exhibit 3 and Exhibit 4).

B. PROJECT HISTORY

The applicant purchased the property in 2007, which the applicant states was converted from a 31-unit apartment building to a hotel by the previous owner. According to records from the City of Los Angeles Housing and Community Investment Department (LAHD), the apartment building is subject to the City of Los Angeles Rent Stabilization Ordinance (Municipal Code 151.09) because it was constructed prior to 1978 and includes at least two units. Neither the applicant nor LAHD has provided a rental rate history, but the Rent Stabilization Ordinance restricts rent increases to 3% per year and includes regulations for evictions. The applicant indicates that he did not evict any former tenants and that the rent stabilization ordinance allows increases in rental rates when one tenant leaves and another tenant signs a new lease.

The applicant states that he completed a \$4,000,000 renovation in 2009 (see **Exhibit 4**, local coastal development permit), which included remodeling all 31 units. A complaint was filed with the City of Los Angeles Housing and Community Investment Department on May 7, 2009, indicating that there had been a change of use/occupancy without a building permit or certificate of occupancy (**Exhibit 5**). LAHD staff, including the enforcement division, worked to resolve the complaint regarding the illegal conversion for five years before referring the case to the City Attorney on May 20, 2014. A previous complaint was filed with LAHD on October 30, 2007 and a third complaint was filed on January 13, 2015.

On May 20, 2013, during the period the enforcement division of LAHD was handling the second complaint, the City of Los Angeles Department of City Planning approved Zoning Administrator Case No. ZA-2012-2841-CDP-CU-ZV-MEL (**Exhibit 4**). The coastal development permit findings included, in part: 1) "The development is in conformity with Chapter 3 of the California Coastal Act of 1976;" and 7) "The project is consistent with the special requirements for low and moderate income housing units in the Coastal Zone as mandated by California Government Code Section 65590 [Mello Act]." The Zoning Administrator made further findings related to affordable housing within the "Coastal Development Permit Findings" section of her report, including: "On September 14, 2012 the Los Angeles Housing Department issued a Mello Determination Memorandum which concluded that there is one affordable unit (#308) located at the subject property. A condition of approval requires the owner to record a covenant with LAHD to restrict one unit for moderate income use. As conditioned, the project is consistent with the Mello Act." A copy of the Mello Act Memorandum is included as **Exhibit 6**.

The Zoning Administrator's approval included a variance from the municipal code, eliminating the requirement to provide a loading space for a commercial use (hotel). The Zoning Administrator's approval also included a conditional use permit to allow a transient occupancy residential structure within 500 feet of a residential zone. That was necessary because the parcels immediately across the street are zoned RD1.5 (Medium Density Residential) and comprised of single family residences, duplexes, and triplexes. The Zoning Administrator's action to approve

a coastal development permit, Mello Act compliance, conditional use permit, and zoning variance was not appealed at the local level.

On November 14, 2014, one-and-a-half years after the Zoning Administrator approved ZA-2012-2841-CDP-CU-ZV-MEL, the City of Los Angeles notified the Coastal Commission of its final action on the local coastal development permit and the Commission opened a 20 working-day appeal period, during which time no appeal was filed. The applicant submitted the subject coastal development permit application on December 22, 2014 and Commission staff filed it as complete on March 10, 2015.

Although it was noted that the project was proposed within the Dual Permit Jurisdiction area on the first page of the local approval (**Exhibit 4**), the City did not require the applicant to obtain a coastal development permit or a coastal development permit exemption determination from the Coastal Commission prior to commencing development. In 2007, 2008, 2014, and 2015 the Los Angeles Department of Building and Safety issued building permits for new floors, new plumbing and fixtures, replacement windows and doors, a new HVAC system, disabled access features in the lobby and lower floor, and conversion of the roof-deck into usable area. The Department of Building and Safety issued a certificate of occupancy for the hotel use on January 8, 2015 (**Exhibit 7**). The City closed the original complaint regarding the change of use on January 16, 2015 after all violations were declared resolved (**Exhibit 5**). The City's actions to approve building permits, a new certificate of occupancy, and close the violation file before the applicant applied for a coastal development permit from the Coastal Commission are inconsistent with the City's coastal development permit issuing ordinance adopted by the City in 1978.

The Venice Neighborhood Council passed a resolution in support of the project on April 16, 2013. Former State Assemblymember Steven Bradford, former City Councilmember Bill Rosendahl, and the Venice Chamber of Commerce also supported the proposed project in written correspondence to the applicant in February and March of 2013. Those letters of support are included in **Exhibit 9** of this staff report.

The Venice Community Housing Corporation, advocacy group People Organized for Westside Renewal, and 23 Venice residents submitted comments in opposition to the proposed project in July 2015. The primary concern of those opposed to the project is that the applicant's proposal is not consistent with the affordable and market rate housing provisions of the Mello Act and the Venice Land Use Plan. Those letters of opposition are included in **Exhibit 10** of this staff report.

C. PUBLIC ACCESS

One of the basic goals stated in the Coastal Act is to maximize public access and recreational opportunities to and along the coast. The proposed project must conform with the following Coastal Act policies which protect and encourage public access and recreational use of coastal areas.

Section 30210 of the Coastal Act states, in part:

In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all people...

Section 30252 of the Coastal Act states, in part:

The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service...(3) providing non-automobile circulation within the development, (4)providing adequate parking facilities or providing substitute means of serving the development with public transportation...

The Commission has consistently found that a direct relationship exists between public access and the provision of adequate parking and transportation related mitigation at new developments near the coast. The subject development is located adjacent to Ocean Front Walk and Venice Beach, in a neighborhood where demand for parking is intense at all times of day throughout the year for the general public visiting the very popular visitor-serving resources along the stretch of the coast. There is currently no parking on-site and the applicant proposes no parking on-site. When a development provides insufficient parking to accommodate demand, patrons of the development consume public parking spaces that would otherwise be utilized by the general public, which has the effect of minimizing access to the coast for the general public.

The Commission, on June 14, 2001, certified the Venice Land Use Plan (LUP), which contains specific policies to carry out the requirements of the Coastal Act. The certified Venice LUP may be used as guidance in analyzing the proposed project's consistency with the Coastal Act. In order to ensure maximum access to the coast is provided to coastal visitors, LUP Policy II.A.3, sets forth the parking requirements for hotels in Venice:

2 spaces; plus
2 spaces for each dwelling unit; plus
1 space for each guest room or each suite of rooms for the first 30...

Based on the parking requirements table, the subject hotel is required to provide 34 parking spaces (2 parking spaces plus 2 times 1 dwelling unit plus 1 times 30 guest rooms), plus an additional four parking spaces to comply with the Beach Impact Zone requirement in LUP Policy II.A.4, for a total of 38 parking spaces.

For multi-unit residential structures, the LUP requires two parking spaces per unit, plus one guest space for each four units, plus the Beach Impact Zone spaces. For the subject site, 73 spaces would be required.

The hotel use represents a decrease in intensity of use and a decrease in parking demand compared to the existing residential use. The parking requirements table bears out the reality that hotel visitors are likely to arrive by alternate modes of transportation or in one shared vehicle, while apartment dwellers are likely to own one vehicle per person and multiple vehicles per apartment. The change in use of the facility from an apartment building with no parking to a hotel with no parking will not entirely eliminate impacts to public coastal access caused by users of the private development, but it will reduce adverse impacts because fewer vehicles associated with the private development will be parked in public parking areas near the coast.

In order to further mitigate public access impacts of the development, the applicant has agreed to implement a Transportation Demand Management program. The applicant states that he already

encourages guests and employees to utilize alternative modes of transportation rather than driving to his hotel. The applicant encourages employees to carpool to work and one of his employees rides a skateboard. The applicant states that he assists hotel guests in signing up for the Uber mobile ridesharing application, which allows them to reach destinations near Venice at minimal cost. The applicant also provides free bicycles for his guests to use in Venice and has agreed to provide information on the locations for the City-sponsored Bike Share facilities that are coming soon to Venice. As part of the subject coastal development permit application, the applicant has agreed to expand the incentives in his programs to include free tokens for the Big Blue Bus, which features multiple stops within ¹/₄ mile of the hotel. In addition, the applicant has agreed to reimburse the full transit fares for employees using public transit. The applicant will also continue to provide a minimum of six bicycles for free use of guests and offer secure bike storage for guests who bring their own bicycles to the hotel. In order to protect nearby public parking facilities from the parking impacts of the proposed development and to maximize public access to the coast, **Special Condition 2** requires the applicant to implement the Transportation Demand Management program consistent with the incentives described above and feature the alternative transportation incentives prominently on the hotel's website and inform all hotel guests and employees of their availability.

In the City's action to approve local Coastal Development Permit No. ZA-2012-2841-CDP, it found that "the development does not involve an increase in the number of residential units... and has grandfathered rights... and does not constitute a change in density or the intensity of land use." Neither the Coastal Act nor the certified Venice Land Use Plan award parking credits for grandfathered rights – the City's analysis appears to be based on its municipal code and on the Venice Coastal Specific Plan, which has not been certified by the Coastal Commission.

The standard of review for the proposed project is the Coastal Act. In past actions, the Commission has approved projects which result in a less intense use than the existing use, even if fewer parking spaces were provided than would be required by a local government's Land Use Plan. In Venice, the Executive Director has waived the requirements for a coastal development permit when applicants have proposed to reduce the number of units in multi-unit residential structures, even where parking was non-conforming, because doing so reduced the non-conformity and improved public access to the coast [5-01-399-W (Woodward); 5-05-340-W (Jill C Latimer Trust); 5-06-477-W (Messina); 5-07-006-W (Perez)]. Because the subject application proposes less intense development than the existing use and proposes to further mitigate parking demand associated with the hotel, the Commission finds that the proposed development will enhance public access and is consistent with Sections 30210 and 30252 of the Coastal Act.

D. LOWER COST OVERNIGHT ACCOMMODATIONS

Section 30213 of the Coastal Act states:

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

Policy I.A.17 of the Venice Land Use Plan states, in relevant part:

Overnight visitor-serving uses, such as hotels and youth hostels, are preferred uses in Community Commercial and General Commercial land use categories.

Historically, the Commission has approved new hotel developments along the coastline because hotels are inherently visitor-serving facilities. However, many hotels are exclusive because of their high room rates. Often, the Commission has secured public amenities when approving these hotels (e.g., public accessways, public parking, and open space dedications) to address the Coastal Act priorities for lower cost public access/recreation and visitor support facilities. The Commission has also required mitigation for the use of land that would have been available for lower cost and visitor serving facilities (e.g. NPB-MAJ-1-06A). The expectation of the Commission, based upon several recent decisions, is that developers of sites suitable for overnight accommodations will provide facilities which serve the public with a range of incomes [HNB-MAJ-2-06-(Huntington Beach-Timeshares); A-6-PSD-8-04/101 (San Diego-Lane Field); A-5-RPV-2-324 (Rancho Palos Verdes-Long Point); RDB-MAJ-2-08 (Redondo Beach); SBV-MAJ-2-08 (Ventura); 5-98-156-A17 (Long Beach-Pike Hotel); LOB-MAJ-1-10 (Long Beach-Golden Shore)]. If the development does not propose a range of affordability on-site, the Commission has required off-site mitigation, such as payment of an in-lieu fee to fund construction of lower cost overnight accommodations such as youth hostels and campgrounds.

Lodging opportunities for budget-conscious visitors to the coast are increasingly limited. As the trend to demolish or convert low-cost hotels/motels continues, and most newly constructed hotels are designed and marketed as high cost products, persons of low and moderate incomes will make up fewer of the guests staying overnight in the coastal zone. Without low-cost lodging facilities, a large segment of the population will be excluded from overnight stays at the coast. Access to coastal recreational facilities, such as beaches, harbors, piers, and special coastal communities, is enhanced when lower cost overnight lodging facilities exist to serve a broad segment of the population.

Defining Lower Cost

In a constantly changing market, it is difficult to define what price point constitutes low cost, moderate cost, and high cost accommodations for a given area. In its previous actions, the Commission has established appropriate terms for defining low cost and high cost hotels (Coastal Development Permit Nos. 5-04-291, 5-88-062, 5-84-866, 5-81-554, 5-94-172, 5-06-328, 5 A-253-80, and A-69-76, A-6-IMB-07-131, 3-07-002, 3-07-003). More recent Commission actions have utilized a formula that compares the average daily rate of lower cost hotels in a specific coastal area with the average daily rates of hotels and motels across the entire state (SBV-MAJ-2-08).

For the subject application, the applicant submitted an analysis of market demand in Venice (**Exhibit 8**), which indicated that the statewide average daily rate in the year 2014 was \$140.16, as reported by Smith Travel Research. The analysis defined lower cost accommodations as those charging 25% less than the statewide average daily rate (\$105 or less) and higher cost accommodations as hotels with average daily rates 25% higher than the statewide average (\$175 or more). Values in-between are considered moderate cost.

The analysis indicated that the average daily rate in Venice was \$182 at year end 2014 and that Venice features two low cost hotels as defined by Smith Travel Research's modified rate of less than \$105. Venice features five moderate cost hotels as defined by Smith Travel Research and seven high cost hotels (greater than \$175 average daily rate). The analysis also noted that most of the hotels in nearby Santa Monica and Marina del Rey (22 out of 26) are high cost. Compared to other hotels in Venice, the subject hotel may be characterized as moderate cost.

Mitigation Requirement

The Commission has found in past actions that the loss of existing, low cost hotel units should, under most circumstances, be mitigated at a 1:1 ratio of units lost to new units provided. Additionally, for new high cost hotels where low cost alternatives are not included on-site, a mitigation fee has been required for 25% of the high cost rooms in recent Commission actions. The proposed development would not result in the loss of any existing low cost hotel rooms.

The room rates submitted with the subject application (**Exhibit 8**) indicate that the hotel is moderate to high cost. The lowest posted rate is \$160 for a studio room at a weekly rate during the winter. During the summer, the lowest posted daily rate is \$200 and the highest posted daily rate is \$350. The applicant indicates that based on demand, he sometimes offers specials for less than the posted rates. Likewise, during periods of peak demand, rates for all classes of rooms may be higher than the posted rates.

However, the proposed hotel differs from other high cost hotels for several reasons. First, the hotel re-used an existing 85 year old building and did not displace an existing lower cost hotel. It displaced 30 residential units, which are a lower priority use under the Coastal Act and the Venice Land Use Plan. Second, the building is not located in an area which is specifically zoned for hotels and thus its presence is not precluding the presence of a lower cost hotel on the same site. If the hotel were not established by the applicant, the site would continue to support residential uses (which the applicant indicates would command rents of \$3,000 to \$4,000 per unit). Even if the current building were demolished, the site could be developed with a variety of uses, including residential, commercial, hotel, or mixed-use.

Policy I. B. 6 of the Venice Land Use Plan states:

The areas designated as Community Commercial on the Land Use Policy Map (Exhibits 9 through 12) will accommodate the development of community-serving commercial uses and services, with a mix of residential dwelling units and visitorserving uses. The Community Commercial designation is intended to provide focal points for local shopping, civic and social activities and for visitor-serving commercial uses. They differ from Neighborhood Commercial areas in their size and intensity of business and social activities. The existing community centers in Venice are most consistent with, and should be developed as, mixed-use centers that encourage the development of housing in concert with multi-use commercial uses. The integration and mixing of uses will increase opportunities for employees to live near jobs and residents to live near shopping. Overnight visitorserving uses, such as hotels and youth hostels, are preferred uses in the Community Commercial land use category.

The hotel is also not consistent with a traditional high cost hotel (or even a traditional moderate cost hotel) because of the amenities and flexibility it offers its guests. Very few hotels offer inroom kitchens (featuring refrigerator, stove, and dishwasher) in all rooms – and those that do include kitchens often charge an extra fee. Few high cost hotels offer rooms which can accommodate up to six guests at no additional fee, as the subject application proposes to do. The applicant argues that his hotel appeals to families and groups who wish to stay together in larger rooms (300 to 400 square feet) near the beach, bringing the cost per person down to potentially \$58.33 per person for even the highest rate assuming six guests are staying in the room. It is very

unusual to have an ocean fronting hotel in the Los Angeles area with a number of the rooms at a moderate room rate. The hotel also offers a roof-deck with self-service grills and tables for the use of its guests and free use of amenities including bikes in the lobby which reduces the cost of staying at hotel because the guests can enjoy the Venice environment from above while making their own food on the deck and if they decide to venture out, they don't need to pay for transportation since bikes are available to use. Finally, the proposed hotel is unique in its provision of free wireless internet and free off-site vehicle parking, although only when available and not guaranteed permanently by the applicant or market supply.

Because the proposed hotel offers some moderate cost rooms (there are approximately 10 studio non-ocean fronting rooms which tend to be moderately priced, although prices vary by the date), because the proposed hotel offers amenities which will appeal to families and larger groups of coastal visitors, and because its construction will not displace or preclude the presence of a lower cost hotel, the Commission finds that mitigation for adverse impacts to public access is not required in order to ensure consistency with Section 30213 of the Coastal Act. **Special Condition 1** is necessary to ensure that the applicant shall undertake development in accordance with the approved coastal development permit. Any proposed changes to the development shall be reported to the Executive Director. No changes to the approved development shall occur without a Commission-approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required. The Commission finds that, as conditioned, the proposed development is consistent with Section 30213 of the Coastal Act Act encouraging lower cost accommodation.

E. DEVELOPMENT

The Venice community – including the beach, the boardwalk, the canals, and the eclectic architectural styles of the neighborhoods (**Exhibit 2**) – is one of the most popular visitor destinations in California. According to the Venice Chamber of Commerce, 16 million people visit annually, drawn by the unique characteristics of the area including "the Pacific Ocean, Boardwalk vendors, skaters, surfers, artists, and musicians."¹ The North Venice subarea includes Abbot Kinney Boulevard and Grand Boulevard, each developed in the early 20th century as part of Mr. Kinney's vision for a free and diverse society. North Venice also includes the subject site between Speedway alley and Ocean Front Walk, part of a 30-block stretch of boardwalk popular with coastal visitors, recreational users, and artists and musicians. Venice was the birthplace of The Doors and The Lords of Dogtown and its unique characteristics attracted myriad artists and musicians from the Beat Generation to the poets and street performers that people still travel to Venice to see.

Section 30253 of the Coastal Act states in part:

New development shall...

e) where appropriate, protect special communities and neighborhoods that, because of their unique characteristics, are popular visitor destination points for recreational uses.

¹ Venice Chamber of Commerce website. <http://venicechamber.net/visitors/about-venice/>

Policy I. E.1, of the Venice Land Use Plan states:

Venice's unique social and architectural diversity should be protected as a Special Coastal Community pursuant to Chapter 3 of the California Coastal Act of 1976.

Policy I. F.2, of the Venice Land Use Plan states:

Wherever possible, the adaptive reuse and renovation of existing historic structures shall be encouraged so as to preserve the harmony and integrity of historic buildings identified in this LUP. This means:

- a. Renovating building facades to reflect their historic character as closely as possible, and discouraging alterations to create an appearance inconsistent with the actual character of the buildings.
- b. Protecting rather than demolishing historic or culturally significant properties by finding compatible uses which may be housed in them that require a minimum alteration to the historic character of the structure and its environment.
- c. Rehabilitation shall not destroy the distinguishing feature or character of the property and its environment and removal or alteration of historical architectural features shall be minimized.
- *d. The existing character of building/house spaces and setbacks shall be maintained.*
- *e. The existing height, bulk and massing which serves as an important characteristic of the resource shall be retained.*

As Venice transitions to a community with more high-income homeowners and renters, the City faces a greater responsibility to develop plans and specific policies to preserve the existing housing stock which is still feasible for rental use. The California Legislature amended the Coastal Act to remove specific policies related to the Commission's direct authority to protect affordable housing in the coastal zone.

Section 30604 of the Coastal Act, as amended, contains the following policies:

(f) The commission shall encourage housing opportunities for persons of low and moderate income. In reviewing residential development applications for low- and moderate-income housing, as defined in paragraph (3) of subdivision (h) of Section 65589.5 of the Government Code, the issuing agency or the commission, on appeal, may not require measures that reduce residential densities below the density sought by an applicant if the density sought is within the permitted density or range of density established by local zoning plus the additional density permitted under Section 65915 of the Government Code, unless the issuing agency or the commission on appeal makes a finding, based on substantial

evidence in the record, that the density sought by the applicant cannot feasibly be accommodated on the site in a manner that is in conformity with Chapter 3 (commencing with Section 30200) or the certified local coastal program.

(g) The Legislature finds and declares that it is important for the commission to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low and moderate income in the coastal zone.

These policies require the Commission to encourage cities and property owners to provide affordable housing opportunities, but they have not been interpreted as a basis for the Commission to mandate the provision of affordable housing through its regulatory program. In 1982, the legislature codified California Government Code Section 65590 (the Mello Act), requiring local governments to protect and increase the supply of affordable housing in the Coastal Zone.

The City of Los Angeles has struggled to implement the Mello Act in its segments of the Coastal Zone, and especially in Venice. Its initial regulatory program for Mello compliance was challenged by a 1993 lawsuit brought by displaced low income tenants at 615 Ocean Front Walk (approximately 600 feet north of the subject site), where the City approved a new development with no replacement affordable housing. That lawsuit resulted in a 2001 settlement agreement between the aggrieved parties, the Venice Town Council et al, and the City of Los Angeles². Since 2001, the City has regulated development which has the potential to remove affordable housing units through its Interim Administrative Procedures for Complying with the Mello Act, which is the City's responsibility.

The Commission has no jurisdiction to alter the City's Mello Act determinations, which found that only one of the 31 residential units in the apartment building was an affordable unit (**Exhibit** 4 and **Exhibit** 6). The applicant has recorded a covenant promising to rent that unit to a person of moderate income for a period of 30 years. The Commission must review whether the proposed project is consistent with Chapter 3 of the Coastal Act, using relevant LUP policies as guidance.

The application includes the preservation of a building which is an example of the architectural character of Venice. The applicant indicated that his renovation of the building restored both the interior and the exterior brick façade of the 85 year old building, which is an example of the early architecture of Venice (see photos in **Exhibit 3**). The proposed development is also consistent with Section 30253 because it offers visitors the opportunity to visit the Special Coastal Community of Venice at a moderate cost. The hotel's design and character appear to provide a unique opportunity to coastal visitors who wish to immerse themselves in Venice's culture, which is flourishing right out the side door on Ocean Front Walk. Unlike a large resort, which might be separated from the surrounding physical and social environment, the proposed hotel celebrates the culture of Venice through its aesthetic, its barrier-free pedestrian entryways, and its provision of bicycles for guests to explore the area. This hotel will also help to active and draw visitors to Ocean Front walk at night which will make this beachfront area more inviting to visitors. The Commission therefore finds that the proposed development is consistent with Section 30253 of the Coastal Act.

² No. B091312. Second Dist., Div. Seven. Jul 31, 1996. Venice Town Council Inc. et al., Plaintiffs and Appellants, v. City of Los Angeles et al., Defendants and Respondents

F. UNPERMITTED DEVELOPMENT

Unpermitted development has occurred at the project site subject to this coastal development permit application. The unpermitted development includes the remodel, addition to, and change of use of a 15,408 square foot building without a valid coastal development permit issued by the Coastal Commission. The physical improvements subject to this application, including the hotel rooms, the lobby, and the roof-deck, have been constructed and the applicant has been operating the building as a hotel without the benefit of a coastal development permit from the Commission for more than six years. Any non-exempt development activity conducted in the Coastal Zone without a valid coastal development permit, or which does not substantially conform to a previously issued permit, constitutes a violation of the Coastal Act.

The applicant is proposing after-the-fact approval of the unpermitted development noted above and described in more detail in the project description. Although the development has taken place prior to submittal of this application, consideration of this application by the Commission has been based solely upon the Chapter 3 policies of the Coastal Act. Commission review and action on this permit will resolve the violations identified in this section once the permit has been fully executed and the terms and conditions of the permit complied with by the applicant.

Section 30620 of the Coastal Act states, in relevant part:

The Commission may require a reasonable filing fee and the reimbursement of expenses for the processing by the Commission of any application for a coastal development permit...

Section 13055 of the California Code of Regulations sets the filing fees for coastal development permit applications, and states in relevant part:

(a)(5)(B)(1) Fees based upon development cost shall be as follows: \$2,000,001 to \$5,000,000: \$21,920

(d) Fees for an after-the-fact (ATF) permit application shall be five times the amount specified in section (a) unless such added increase is reduced by the Executive Director when it is determined that either:

(1) the ATF permit application can be processed by staff without significant additional review time (as compared to the time required for the processing of a regular permit,) or

(2) the owner did not undertake the development for which the owner is seeking the ATF permit, but in no case shall such reduced fees be less than double the amount specified in section (a) above. For applications that include both ATF development and development that has not yet occurred, the ATF fee shall apply only to the ATF development. In addition, payment of an ATF fee shall not relieve any persons from fully complying with the requirements of Division 20 of the Public Resources Code or of any permit granted thereunder or from any penalties imposed pursuant to Chapter 9 of Division 20 of the Public Resources Code.

(i) The required fee shall be paid in full at the time an application is filed. However, applicants for an administrative permit shall pay an additional fee after filing if the executive director or the commission determines that the application cannot be processed as an administrative permit. The additional fee shall be the amount necessary to increase the total fee paid to the regular fee. The regular fee is the fee determined pursuant to this section. In addition, if the executive director or the commission determines that changes in the nature or description of the project that occur after the initial filing result in a change in the amount of the fee required pursuant to this section, the applicant shall pay the amount necessary to change the total fee paid to the fee so determined. If the change results in a decreased fee, a refund will be due only if no significant staff review time has been expended on the original application. If the change results in an increased fee, the additional fee shall be paid before the permit application is scheduled for hearing by the commission. If the fee is not paid prior to commission action on the application, the commission shall impose a special condition of approval of the permit. Such special condition shall require payment of the additional fee prior to issuance of the permit.

The applicant submitted a fee of 6,576 with his coastal development permit application on December 22, 2014. The application included an estimated cost of development of 120,000. Upon further discussions with staff, the applicant acknowledged that he completed a 4,000,000 renovation in 2009, which included remodeling all 31 units to adapt them to their current (unpermitted) hotel uses. Based on the Filing Fee Schedule for the 2014/2015 fiscal year (Section 13055, subsection (a)(5)(B)(1) of the California Code of Regulations), the fee for development cost of 2,000,001 to 5,000,000 is 21,920.

Subsection (d) of California Code of Regulations Section 13055 indicates that the fee for an after-the-fact permit application shall be five times the amount specified in section (a) unless such added increase is reduced by the Executive Director when it is determined that either: the permit application can be processed by staff without significant additional review time or the owner did not undertake the development for which the owner is seeking the after-the-fact permit. In this case, the owner did undertake the development for which he is seeking the after-the-fact permit. In reviewing this application, staff met with the applicant, the City, and project opponents, as well as researched the development's history, including the six year period of unpermitted development. However, the Executive Director increased the fee to two times, as opposed to five times, because staff did not spend significant additional review time. Therefore, the required application fee is \$43,840. Because the applicant has already paid \$6,576, **Special Condition 3** requires the applicant to pay the balance of \$37,264 prior to issuance of the permit, consistent with the requirements of California Code of Regulations Section 13055(i).

In order to ensure that the applicant complies with the terms of the permit, **Special Condition 1** states that coastal development permit 5-14-1932 only authorizes the development expressly described and conditioned herein, which includes 30 hotel units and one apartment unit. No restaurant or commercial food/beverage service is permitted on the site. All units contain kitchens and at least 20 units include sofa/futon type pullout beds. No changes to the approved development shall occur without a Commission-approved amendment to this permit unless the Executive Director determines that no amendment is legally required.

G. LOCAL COASTAL PROGRAM

Section 30604(a) of the Coastal Act provides that the Commission shall issue a coastal development permit only if the project will not prejudice the ability of the local government having jurisdiction to prepare a Local Coastal Program (LCP) which conforms with Chapter 3 policies of the Coastal Act:

Prior to certification of the Local Coastal Program, a Coastal Development Permit shall be issued if the issuing agency, or the Commission on appeal, finds that the proposed development is in conformity with the provisions of Chapter 3 (commencing with Section 30200) of this division and that the permitted development will not prejudice the ability of the local government to prepare a local coastal program that is in conformity with the provisions of Chapter 3 (commencing with Section 30200).

The City of Los Angeles does not have a certified Local Coastal Program for the Venice area. The City of Los Angeles Land Use Plan (LUP) for Venice was effectively certified on June 14, 2001. The Commission's standard of review for the proposed development is the Chapter 3 policies of the Coastal Act. The certified Venice LUP is advisory in nature and may provide guidance.

As conditioned to mitigate impacts to public access, the proposed development is consistent with Chapter 3 of the Coastal Act and with the certified Land Use Plan for the area. Approval of the project, as conditioned, will not prejudice the ability of the local government to prepare an LCP that is in conformity with the provisions of Chapter 3 of the Coastal Act.

H. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Section 13096 Title 14 of the California Code of Regulations requires Commission approval of a coastal development permit application to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

The City of Los Angeles is the lead agency for the purposes of CEQA. The City identified environmental impacts of the proposed project and issued a mitigated negative declaration for the proposed project in 2013 (ENV-2012-2839-MND). Additionally, the proposed project, as conditioned to mitigate impacts to public access, has been found consistent with the Chapter 3 policies of the Coastal Act. All adverse impacts have been minimized by the recommended conditions of approval and there are no feasible alternatives or additional feasible mitigation measures available which would substantially lessen any significant adverse impact that the activity may have on the environment. Therefore, the Commission finds that the proposed project, as conditioned, can be found consistent with the requirements of the Coastal Act to conform to CEQA.

Appendix A – Substantive File Documents

- 1. City of Los Angeles Certified Land Use Plan for Venice (2001)
- 2. City of Los Angeles File for Case No. ZA-2012-2841-CDP-CU-ZV-MEL (5/20/13)

Vicinity Map: 2 Breeze Avenue, Venice, Los Angeles





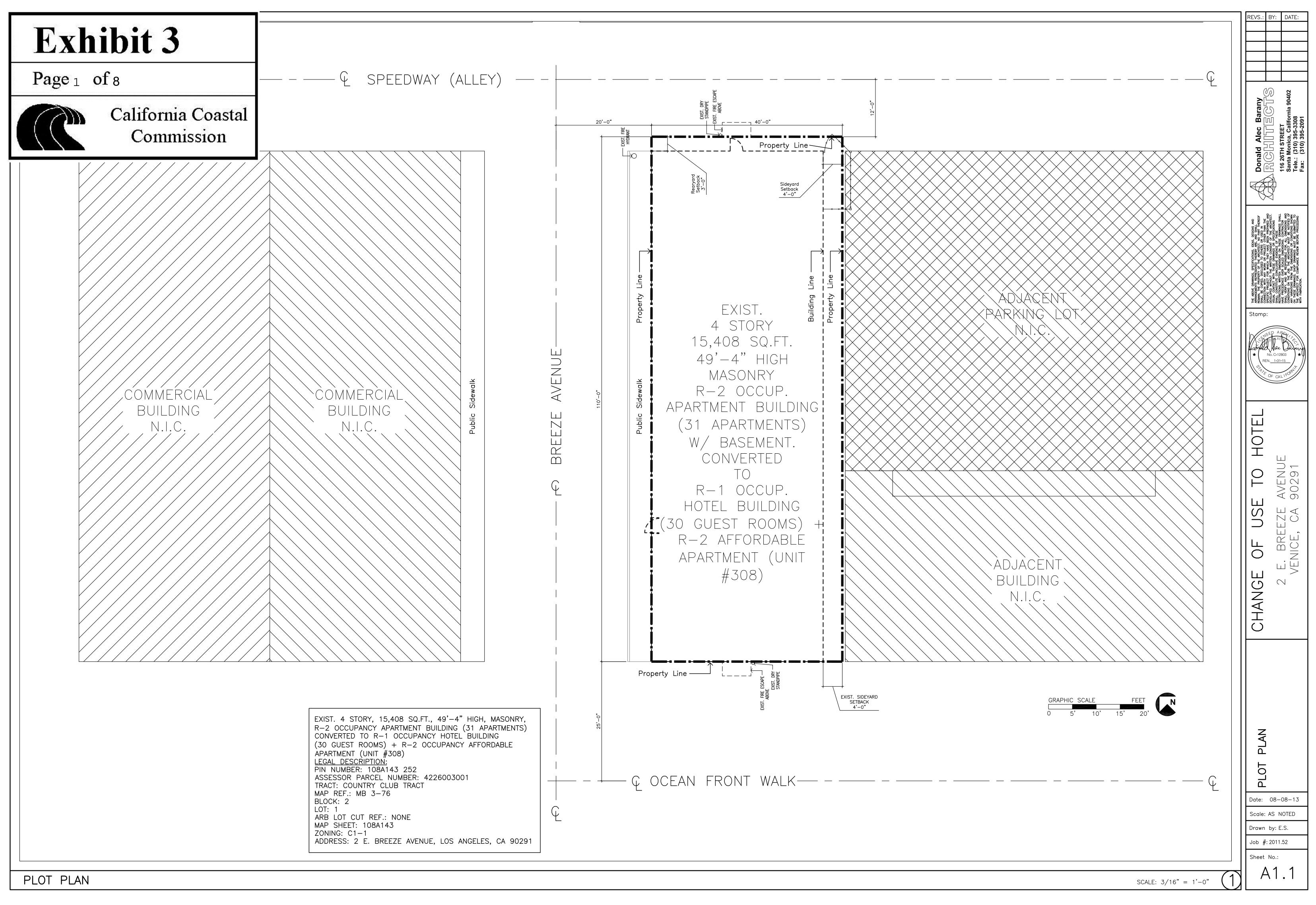
California Coastal Commission

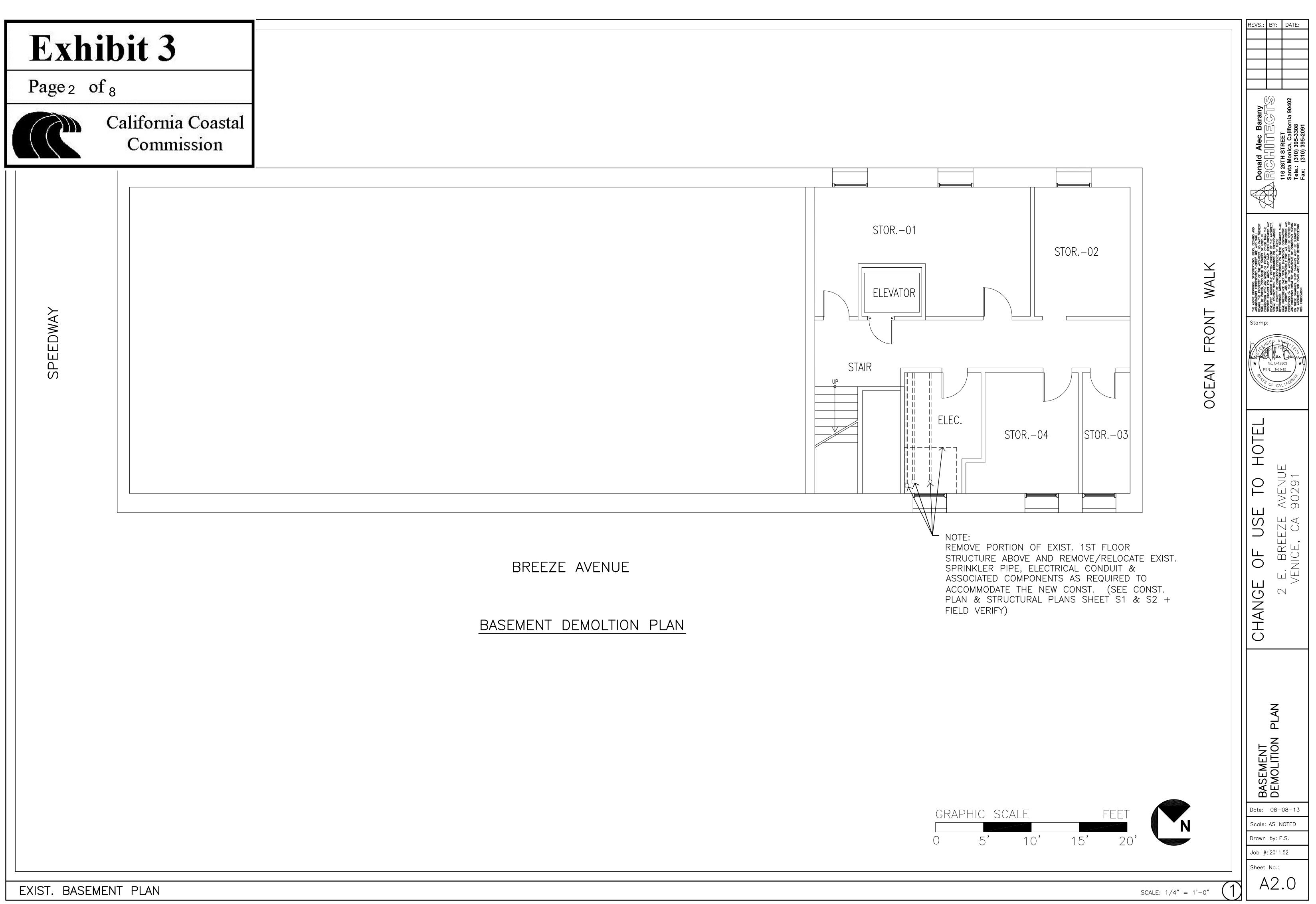


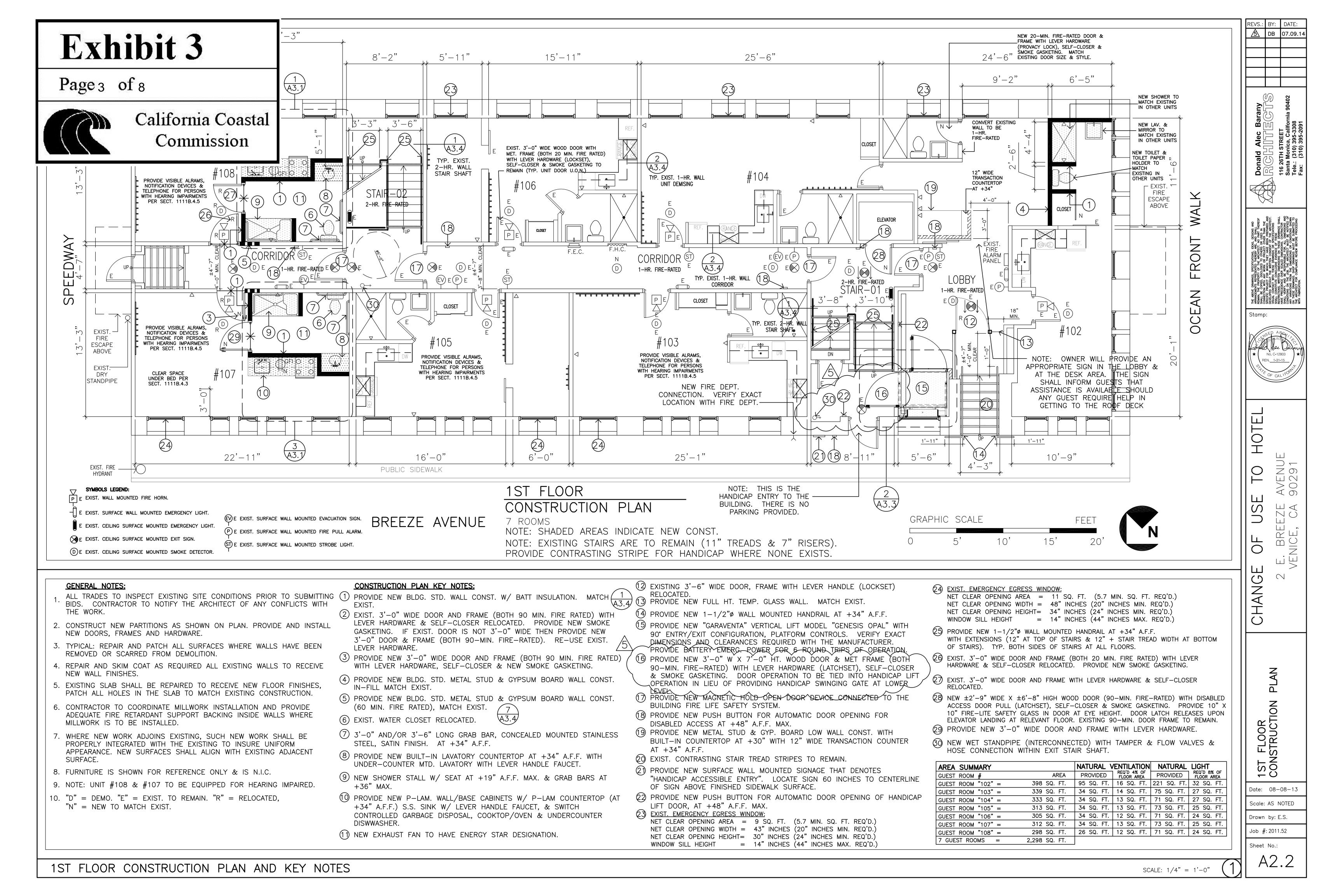
Photo credit: Bing Maps

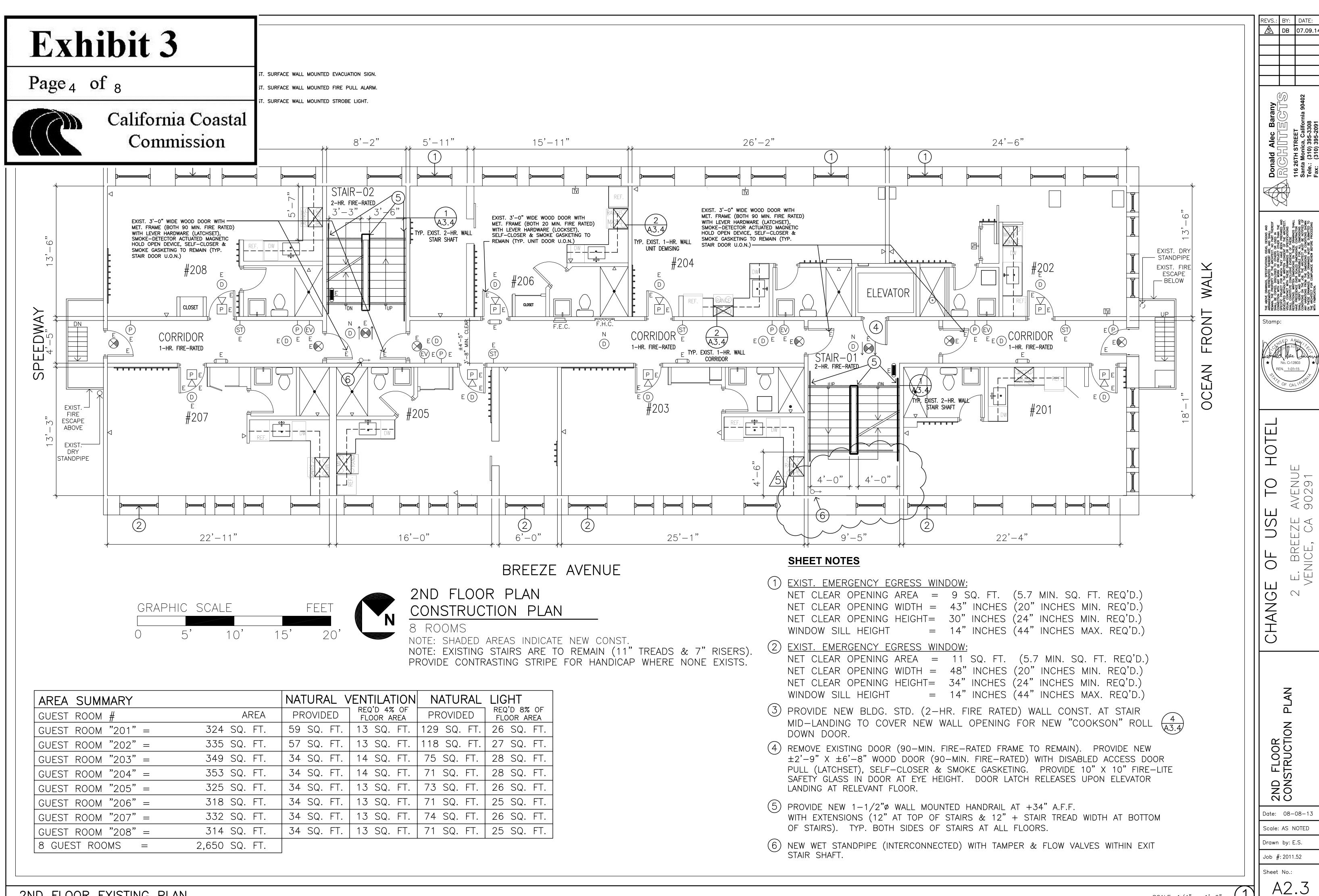




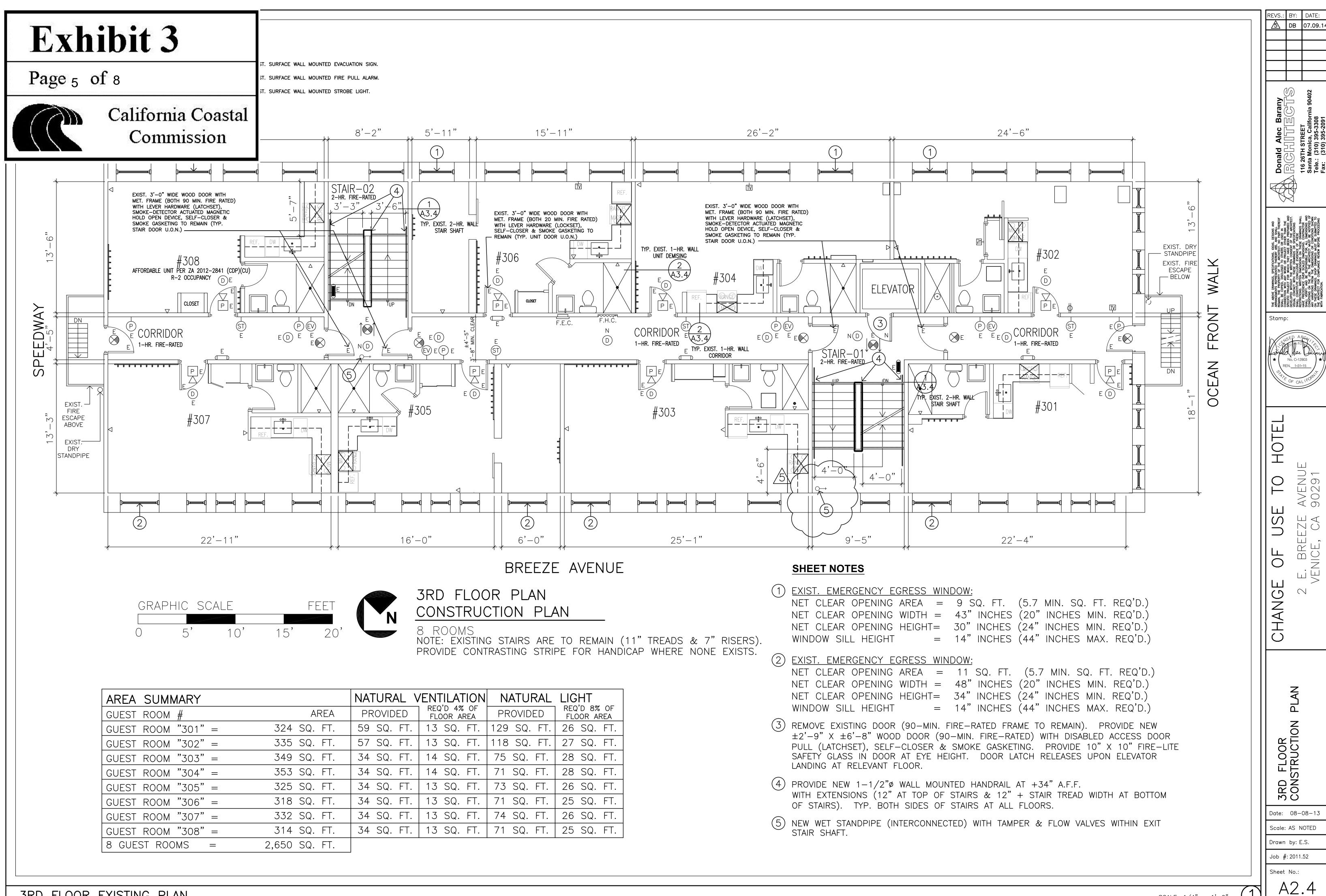








2ND FLOOR EXISTING PLAN

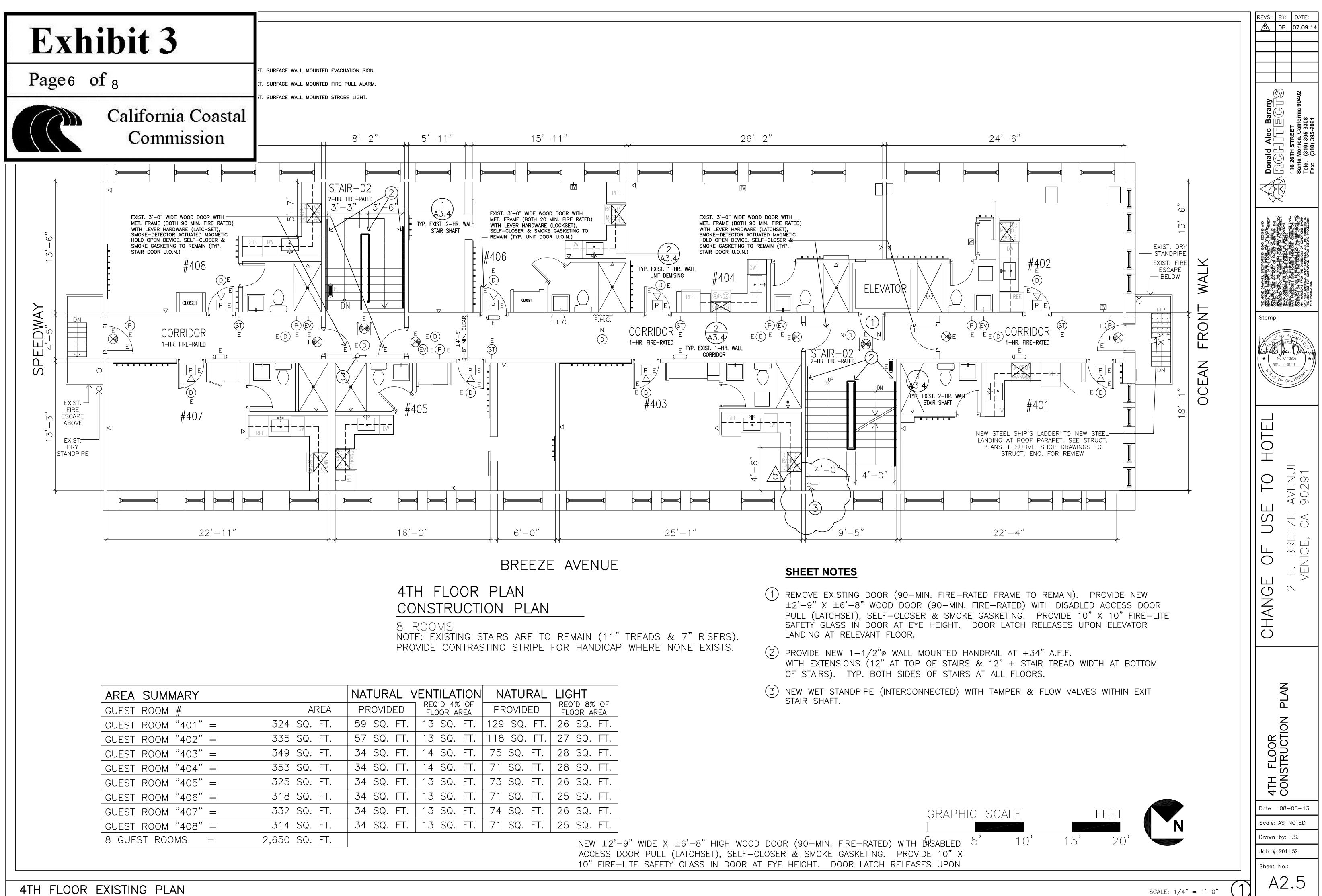


3RD FLOOR EXISTING PLAN

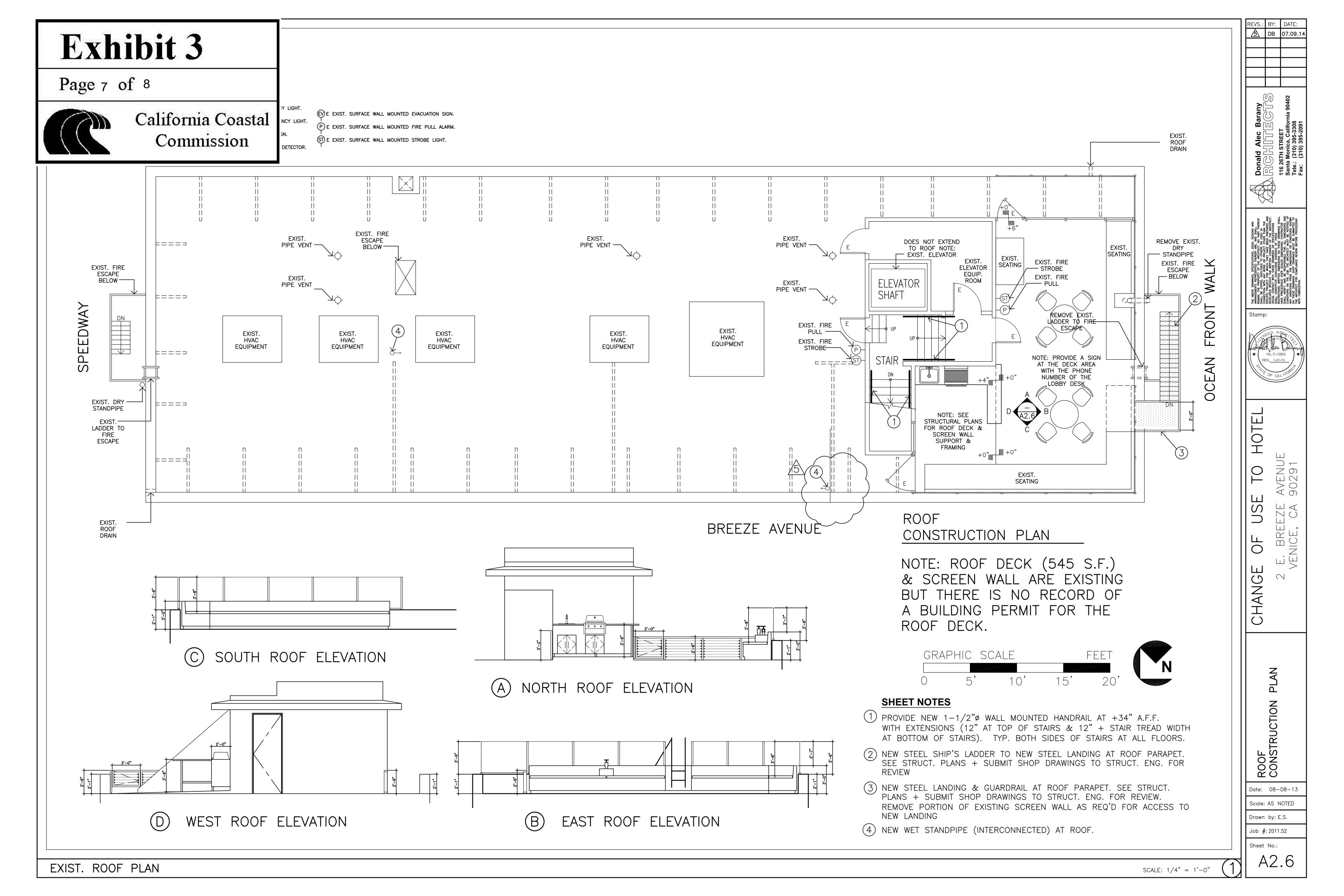
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4% OF AREA	PROVIDED	REQ'D 8% OF FLOOR AREA
Q. FT.	129 SQ. FT.	26 SQ. FT.
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Q. FT.	75 SQ. FT.	28 SQ. FT.
Q. FT.	71 SQ. FT.	28 SQ. FT.
Q. FT.	73 SQ. FT.	26 SQ. FT.
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AREA	PROVIDED	FLOOR AREA
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Q. FT.	71 SQ. FT.	28 SQ. FT.
Q. FT.	73 SQ. FT.	26 SQ. FT.
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Q. FT.	74 SQ. FT.	26 SQ. FT.
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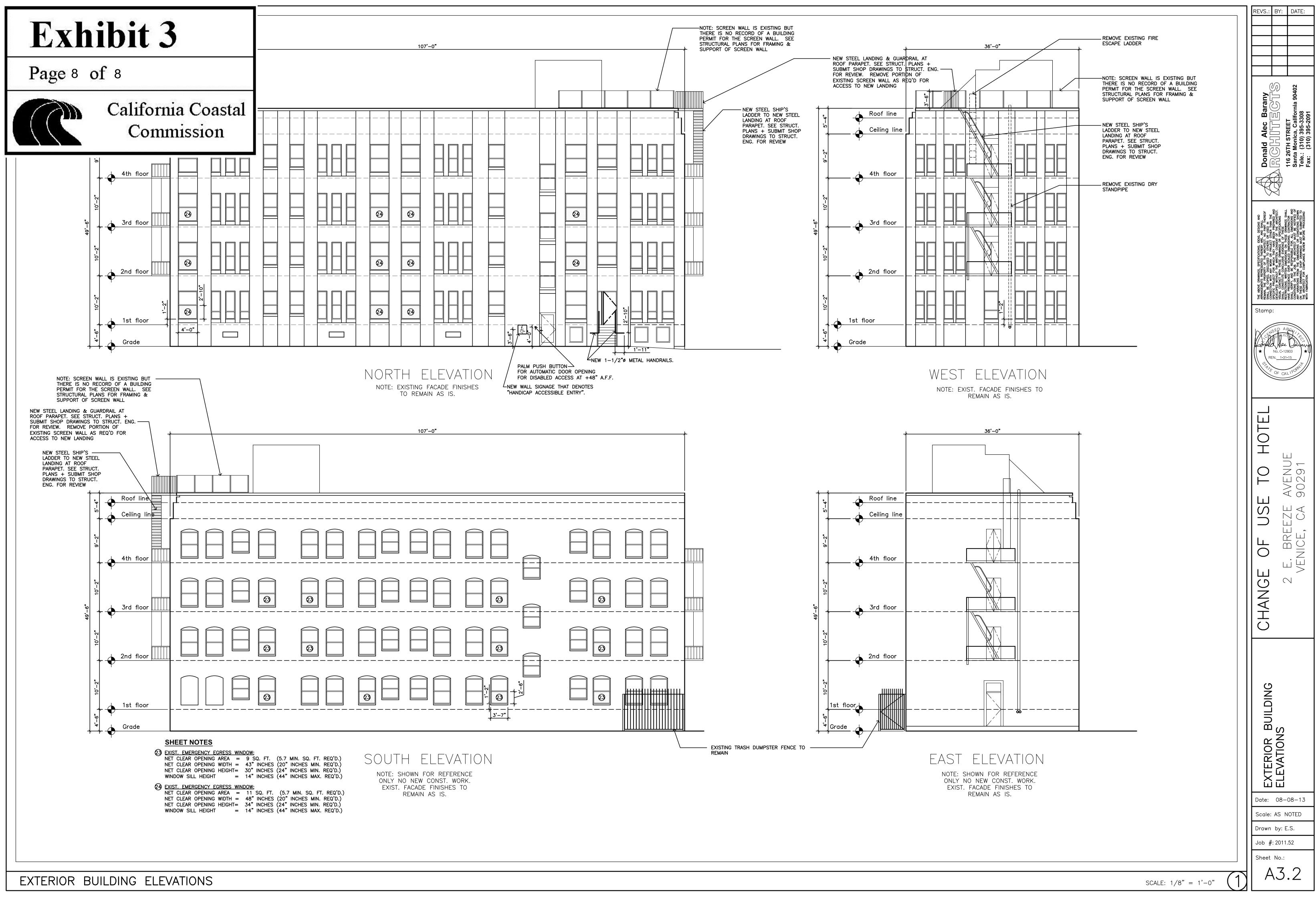


Exhibit 4

Pages 32 through 48



California Coastal Commission

LINN K. WYATT CHIEF ZONING ADMINISTRATOR

ASSOCIATE ZONING ADMINISTRATORS

R. NICOLAS BROWN SUE CHANG LOURDES GREEN CHARLES J. RAUSCH, JR. JIM TOKUNAGA FERNANDO TOVAR DAVID WEINTRAUB MAYA E. ZAITZEVSKY

May 20, 2013

Carl Lambert (A)(O) Venice Breeze Suites 2 Breeze Avenue, #101 Venice, CA 90291

Don Barany (R) Donald Alec Barany Architects, Inc. 116 26th Street Santa Monica, CA 90402

CASE NO. ZA 2012-2841(CDP)(CU) (ZV)(MEL)COASTAL DEVELOPMENT PERMIT, CONDITIONAL USE, VARIANCE, MELLO COMPLIANCE 2 East Breeze Avenue Venice Planning Area Zone : C1-1 D. M. : 108.A143 : 11 C. D. CEQA : ENV 2012-2839-MND Legal Description: Lot 1. Block 2. Country Club Tract

Pursuant to Los Angeles Municipal Code Section 12.20.2, I hereby APPROVE:

a Coastal Development Permit and Mello Act Compliance review to allow a change of use from a 31-unit apartment building to a 31-questroom transient occupancy residential structure on a property located in the C1-1 Zone and within the Dual Permit Jurisdiction area of the Coastal Zone,

Pursuant to Los Angeles Municipal Code Section 12.24-W,24, I hereby APPROVE: a Conditional Use to permit the continued use of a transient occupancy residential structure within 500 feet of an R Zone,

Pursuant to Charter Section 562 and Los Angeles Municipal Code Section 12.27-B, I hereby APPROVE:

a variance from LAMC Section 12,21-C.6, to not provide a loading space.

Pursuant to Government Code Sections 65590 and 65590.1. I hereby APPROVE:

Mello Act Compliance review,

upon the following additional terms and conditions:

1. All other use, height and area regulations of the Municipal Code and all other applicable government/regulatory agencies shall be strictly complied with in the

COCAL SETU TZI

DEPARTMENT OF CITY PLANNING

MICHAEL J. LOGRANDE DIRECTOR

OFFICE OF ZONING ADMINISTRATION 200 N. SPRING STREET, 7[™] FLOOR LOS ANGELES, CA 90012 (213) 978-1318 FAX: (213) 978-1334 www.planning.lacity.org

CALIFORNIA OF LOS AN



ANTONIO R. VILLARAIGOSA

MAYOR

TY OF LOS ANGELES

development and use of the property, except as such regulations are herein specifically varied or required.

- 2. The use and development of the property shall be in substantial conformance with the plot plan submitted with the application and marked Exhibit "A", except as may be revised as a result of this action.
- 3. The authorized use shall be conducted at all times with due regard for the character of the surrounding district, and the right is reserved to the Zoning Administrator to impose additional corrective Conditions, if, in the Administrator's opinion, such Conditions are proven necessary for the protection of persons in the neighborhood or occupants of adjacent property.
- 4. All graffiti on the site shall be removed or painted over to match the color of the surface to which it is applied within 24 hours of its occurrence.
- 5. A copy of the first page of this grant and all Conditions and/or any subsequent appeal of this grant and its resultant Conditions and/or letters of clarification shall be printed on the building plans submitted to the Development Services Center and the Department of Building and Safety for purposes of having a building permit issued.
- 6. The applicant shall defend, indemnify and hold harmless the City, its agents, officers, or employees from any claim, action or proceedings against the City or its agents, officers, or employees relating to or to attack, set aside, void or annul this approval which action is brought within the applicable limitation period. The City shall promptly notify the applicant of any claim, action, or proceeding and the City shall cooperate fully in the defense. If the City fails to promptly notify the applicant of any claim action or proceeding, or if the City fails to cooperate fully in the defense, the applicant shall not thereafter be responsible to defend, indemnify, or hold harmless the City.
- 7. Approved herein is a coastal development permit to allow the conversion of a 31unit apartment building to a 31- guest room transient occupancy residential structure with zero on-site parking spaces and no loading zone.
- 8. <u>Within 30 days of the effective date of this action</u>, per State Government Code Section 65590, the applicant shall initiate all necessary proceedings with the Housing Department of the City of Los Angeles ("LAHD") to set aside one guest room (No. 308) as an affordable housing unit for Moderate Income household as implemented by LAHD. Copies of documentation that such process has been initiated shall be submitted to the Zoning Administrator for inclusion in the file, including subsequent copy of the covenant entered into with LAHD.
- 9. Submit an Affordable Housing Provision Plan for approval by LAHD as required by Section 7.4 of the Interim Administrative Procedures for Complying with the Mello Act.

10. If at any time during the period of the grant, should documented evidence be submitted showing continued violation(s) of any condition(s) of the grant, resulting in a disruption or interference with the peaceful enjoyment of the adjoining and neighboring properties, the Zoning Administrator will have the right to require the petitioner(s) to file for a plan approval application together with the associated fees, to hold a public hearing to review the petitioner's compliance with and the effectiveness of the conditions of the grant. The petitioner(s) shall submit a summary and supporting documentation of how compliance with each condition of the grant has been attained.

- 11. Off-street parking shall be provided as required per Section 12.21-A,4 of the Code and Section 13.D of the Venice Coastal Zone Specific Plan, or the applicant shall provide proof of any legal nonconforming parking status to the satisfaction of the Department of Building and Safety. No variance or specific plan exception from the off-street parking requirements has been requested or granted herein.
- 12. The applicant shall prepare a Transportation Demand Management Plan for the hotel which shall include the following measures:
 - Preferential hiring of employees who live within walking or biking distance
 - Incentives to encourage employees to walk, bike, take public transit, or carpool to work
 - Installing bike racks for use by the guests and employees
 - Employee training shall include notification to not park on the street
- 13. Amplified recorded-music shall not be audible beyond the area under control of the applicant.
- 14. Prior to the issuance of the building permit, the Project shall comply with applicable requirements of the Coastal Transportation Corridor Specific Plan, to the satisfaction of the Department of Transportation.
- 15. The applicant shall submit a plot plan to the satisfaction of the Fire Department prior to the sign-off of plans by the Zoning Administrator.
- 16. The applicant shall install and maintain security cameras and a 30-day DVR that covers all common areas of the business, high-risk areas and entrances or exits. The DVRs shall be made available to police upon request.
- 17. Loitering is prohibited on or around these premises or the area under control of the applicant.
- 18. Outdoor lighting shall be designed and installed with shielding, so that the light source does not overflow into adjacent residential properties.
- 19. <u>Within 30 days of the effective date of this grant</u>, a covenant acknowledging and agreeing to comply with all the terms and conditions established herein shall be recorded in the County Recorder's Office. The agreement (standard master



covenant and agreement form CP-6770) shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement with the conditions attached must be submitted to the Development Services Center for approval before being recorded. After recordation, a <u>certified</u> copy bearing the Recorder's number and date shall be provided to the Zoning Administrator for attachment to the subject case file.

OBSERVANCE OF CONDITIONS - TIME LIMIT - LAPSE OF PRIVILEGES

All terms and conditions of the approval shall be fulfilled <u>before</u> the use may be established. The instant authorization is further conditional upon the privileges being utilized within three years after the effective date of approval and, if such privileges are not utilized or substantial physical construction work is not begun within said time and carried on diligently to completion, the authorization shall terminate and become void.

TRANSFERABILITY

This authorization runs with the land. In the event the property is to be sold, leased, rented or occupied by any person or corporation other than yourself, it is incumbent upon you to advise them regarding the conditions of this grant.

VIOLATIONS OF THESE CONDITIONS, A MISDEMEANOR

Section 12.29 of the Los Angeles Municipal Code provides:

"A variance, conditional use, adjustment, public benefit or other quasi-judicial approval, or any conditional approval granted by the Director, pursuant to the authority of this chapter shall become effective upon utilization of any portion of the privilege, and the owner and applicant shall immediately comply with its Conditions. The violation of any valid Condition imposed by the Director, Zoning Administrator, Area Planning Commission, City Planning Commission or City Council in connection with the granting of any action taken pursuant to the authority of this chapter, shall constitute a violation of this chapter and shall be subject to the same penalties as any other violation of this Code."

Every violation of this determination is punishable as a misdemeanor and shall be punishable by a fine of not more than \$2,500 or by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment.

APPEAL PERIOD - EFFECTIVE DATE

The applicant's attention is called to the fact that this authorization is not a permit or license and that any permits and licenses required by law must be obtained from the proper public agency. Furthermore, if any Condition of this grant is violated or not complied with, then this authorization shall be subject to revocation as provided in Section 12.27 of the Municipal Code. The Zoning Administrator's determination in this matter will become effective after JUNE 4, 2013, unless an appeal therefrom is filed with the <u>City Planning</u> <u>Department</u>. It is strongly advised that appeals be filed <u>early</u> during the appeal period and in person so that imperfections/incompleteness may be corrected before the appeal period expires. Any appeal must be filed on the prescribed forms, accompanied by the required fee, a copy of the Zoning Administrator's action, and received and receipted at a public office of the Department of City Planning <u>on or before</u> the above date or the appeal will not be accepted. **Forms are available on-line at <u>http://cityplanning.lacity.org</u>. Public offices are located at:**

Figueroa Plaza 201 North Figueroa Street, 4th Floor Los Angeles, CA 90012 (213) 482-7077 Marvin Braude San Fernando Valley Constituent Service Center 6262 Van Nuys Boulevard, Room 251 Van Nuys, CA 91401 (818) 374-5050

Furthermore, this coastal development permit shall be subject to revocation as provided in Section 12.20.2-J of the Los Angeles Municipal Code, as authorized by Section 30333 of the California Public Resources Code and Section 13105 of the California Administrative Code.

Provided no appeal has been filed by the above-noted date, a copy of the permit will be sent to the California Coastal Commission. Unless an appeal is filed with the California Coastal Commission before 20 working days have expired from the date the City's determination is deemed received by such Commission, the City's action shall be deemed final.

If you seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, the petition for writ of mandate pursuant to that section must be filed no later than the 90th day following the date on which the City's decision became final pursuant to California Code of Civil Procedure Section 1094.6. There may be other time limits which also affect your ability to seek judicial review.

NOTICE

The applicant is further advised that all subsequent contact with this Office regarding this determination must be with the Zoning Administrator who acted on the case. This would include clarification, verification of condition compliance and plans or building permit applications, etc., and shall be accomplished **<u>BY APPOINTMENT ONLY</u>**, in order to assure that you receive service with a minimum amount of waiting. You should advise any consultant representing you of this requirement as well.

FINDINGS OF FACT

After thorough consideration of the statements contained in the application, the plans submitted therewith, the report of the Zoning Analyst thereon, the statements made at the public hearing on February 21, 2013, all of which are by reference made a part hereof, as well as knowledge of the property and surrounding district, I find that the requirements and prerequisites for granting a coastal development permit as enumerated in Section 12.20.2 of the Municipal Code have been established by the following facts:

BACKGROUND

The property is a rectangular-shaped double-corner lot located on Breeze Avenue between Ocean Front Walk and Speedway. The property is located in the North Venice subarea of the Venice Coastal Specific Plan and is in the Beach Impact Zone. The 4,398 square-foot property has 40 feet of frontage on Speedway and 110 feet on Breeze Avenue and is zoned C1-1. It is developed with a brick four-story, 15,408 square-foot, 31-unit apartment building constructed in 1930. The apartment building was illegally converted to a 31-guest room hotel by the prior owner. The project is a coastal development permit to allow a change of use from an apartment house to a transient occupancy residential structure; as required per a Los Angeles Housing Department Order to Comply. Also requested are a conditional use permit to allow a hotel within 500 feet of an R Zone, a variance to not provide a loading zone, and Mello Act compliance review.

The applicant states that the proposed change of use from an apartment building to a transient-occupancy hotel will provide a function that is beneficial to the community. Attached to the file is the original Certificate of Occupancy, dated August 6, 1930, for a four-story Class C apartment building, with 60 rooms and 30 apartments.

The adjacent properties to the east are zoned RD1.5-1 and developed with multiple-family uses. The properties to the north and south along Ocean Front Walk are zoned C1-1 and developed with offices and retail uses. Venice Beach is located to the west of Ocean Front Walk and is zoned OS-1XL-O.

Previous zoning related actions on the site/in the area include:

Subject Property

<u>Notice and Order to Comply No. 247834</u> – On February 12, 2010, the Los Angeles Housing Department issued the property owner that a new certificate of occupancy is required for the use of the property as short term rentals.

<u>Ordinance No. 146,313</u> – On July 24, 1974, the City Council approved a zone change from C2-1 to C1-1.

<u>Certificate of Occupancy No. 19463</u> – On August 6, 1930, the LADBS issued a certificate of occupancy for a four-story, 30-unit apartment building.

Surrounding Properties

<u>Case No. ZA 2008-0278(CDP)(ZV)(ZAD)(SPP)</u> – On July 14, 2008, the Zoning Administrator approved a Coastal Development Permit, Zone Variance and Specific Plan Project Permit Compliance, to convert a portion of the ground-floor of a hotel lobby and storage to a café/kitchen, and allow the continued use of a hotel in the R3 Zone in lieu of the five-year phase-out period, located at 401 South Ocean Front Walk ("Cadillac Hotel").

<u>Case No. APCW-2003-1123-ZV-SPE-ZAA-CDP-SPP-MEL</u> – On July 17, 2003, the West Los Angeles Area Planning Commission approved a zone variance to permit a commercial development to provide a 115 square-foot loading space in lieu of the minimum 400 square feet required in the C2-1-CA Zone, located at 70 East Windward Avenue.</u>

<u>Case No. ZA 2002-2526(CDP)(CU)(SPP)(MEL)</u> – On July 10, 2003, the Zoning Administrator approved a coastal development permit, conditional use permit to allow commercial corner deviations, and project permit compliance to allow the construction of six Joint Live Work condominium units and one commercial condominium unit located at 701 Ocean Front Walk.

<u>Breeze Avenue</u> is a Local Street with width of 40 feet. The curb on Breeze Avenue adjacent to the subject property is a no-parking, tow away zone. Breeze Avenue is a Walk Street northeast of Speedway.

<u>Ocean Front Walk</u> is a Public Walk improved to a width of 50 feet and is closed to vehicular traffic.

Speedway is a Local Street improved to a width of 20 feet.

Public Hearing

The public hearing was held on February 21, 2013 in the West Los Angeles Municipal Building. The hearing was attended by the applicant and two residents.

Carl Lambert:

We have requested that DOT allow us to provide a 15 minute loading zone on Breeze Avenue

- The building was constructed as apartments
- The transient occupancy residence is less intense than apartments
- We did a \$4 million dollar renovation four years ago
- 20 to 25% of our guests don't use cars
- People who bring cars park at the lot on the boardwalk
- We have bike storage on-site, we have five bikes for use by guests and room for seven additional spaces
- The variance is requested because we have no physical room for a loading zone
- We have had no complaints from neighbors
- The prior use of the building as short-term rentals was not well-run
- The Council Office supports the use
- We went to the Venice Neighborhood Council last night, the Planning and Land Use Committee voted in support 8 to 1

The full board will hear it on March 19

I purchased the property in 2007

We have a long-term tenant in Unit 308, we have agreed with LAHD to set aside that unit for a 30-year term

- This is not a project under the Venice Coastal Zone Specific Plan
- We received a citation from LAHD for an illegal change of use
- I have not met with the Coastal Commission staff
- The hotel provides affordable access to the coast for visitors
- Our average stay is two weeks
- I spoke to DOT about painting the curb yellow on Breeze Avenue
- The sign on Speedway is not on my property
- We are 150 feet away from Mr. Shishido's property
- Speedway is a commercial alley, we don't control it
- The back door on Speedway is not the primary entrance

Sarah Dennison stated there was no opposition to the request at the PLUM meeting, and asked that the case be taken under advisement until the March 19, 2013 board meeting.

Keiko Noda:

- I am here on behalf of Masako Shishido, the owner of 14 Brooks Avenue
- He has owned the building since 1972 and is concerned about this project
- There is an architecture firm 50 feet away with 100 cars
- People park on Speedway blocking it (pictures submitted)
- There are cars, trucks, using bikes Speedway
- The motel door opens onto Speedway
- There is a sign on Speedway that says "5-minute Loading Zone"
- We want his guests to park on Breeze Avenue not Speedway
- We love how he cleaned up the building

Susan Kalinowski:

- I have no problem with the Breeze Suites
- Will it change the operating or stay the same?
- Can guests stay one night?

Correspondence

On January 28, 2013, Masako Shishido emailed the following concerns about the project: 1) his property was previously a motel but was required to convert it to motel when the zoning changed, 2) they don't have any parking for the 31 rooms; 3) the motel's guest don't have an area to unload and end up using Speedway which is a non-stopping zone; 4) this will effect neighboring businesses; and, 5) a traffic study should be prepared.

On February 11, 2013, Whitney Blumenfeld from Council District 11 emailed that the Councilmember is in support of the request because of: 1) the extensive renovation done to the building; 2) it maintains the Venice Boardwalk character; 3) it has operated as a transient occupancy residential use for four years without complaints; 4) and one unit will be set aside for low income purposes.

On March 18, 2013, Linda Lucks of the Venice Neighborhood Council emailed to request that the record be held open until the end of April because the case will not be heard on March 19.

On April 22, 2013, Carl Lambert submitted an email stating that the LADOT approved a 15 minute loading zone on Breeze Avenue, and attached a letter of support from the neighboring property owner. The letter March 15, 2013 letter from Janice Jerde of JJ-Seabreeze II, LTD stated that the Venice Breeze Suites has been a positive addition to the area offering short-term furnished rentals without negatively impacting the neighborhood.

On April 28, 2013, Jake Kaufman of the Venice Neighborhood Council emailed to say that the request had been approved by the Board and a letter would be sent by April 30.

COASTAL DEVELOPMENT PERMIT FINDINGS

In order for a coastal development permit to be granted all of the requisite findings maintained in Section 12.20.2 of the Los Angeles Municipal Code must be made in the affirmative. Following is a delineation of the findings and the application of the facts of this case to same.

1. The development is in conformity with Chapter 3 of the California Coastal Act of 1976.

The subject property is a rectangular-shaped, 4,398 square-foot corner lot located on Breeze Avenue on the landward side of Ocean Front Walk in the C1-1 Zone. The property is located in the North Venice subarea of the Venice Coastal Specific Plan, the Beach Impact Zone. The site is developed with a four-story, 15,408 square-foot 31-unit apartment building constructed in 1930. There is no on-site parking. The applicant stated that the apartment building was illegally converted to a 31-guest room extended stay motel by the prior owner. He purchased the property in 2007 and renovated the building. It is operating under the name "Venice Breeze Suites". Each of the guest rooms contains a sleeping area with one bed, a sitting area with a kitchenette, and a bathroom. The room rates start at \$155 for a standard studio unit and discounts are available for longer stays. The Venice Breeze Suites' website describes the rooms as affordable extended-stay living accommodations. The website indicates there are three other Venice Beach properties managed by the applicant's company.

The development requires a coastal development permit to allow a change of use from a 31-unit apartment building to a 31-guest room transient occupancy **residential structure ("TORS")**. The property is located in the Dual Permit Jurisdiction area of the Coastal Zone. Pursuant to Coastal Act Section 30600(b), any development which receives a local coastal development permit from the City must also obtain a second coastal development permit from the Coastal Commission if the development is within the areas specified in Section 30601 (e.g., within 300 feet of the beach or sea).

Coastal Act Section 30222 establishes a higher priority for publicly available visitor-serving commercial recreational facilities over private residential, industrial, or general commercial development. Section 30252 of the Coastal Act states:

The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service, (2) providing commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads, (3) providing non-automobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, (5) assuring the potential for public transit for high intensity uses such as high-rise office buildings, and by (6) assuring that the recreation areas by correlating the amount of development with local park acquisition and development plans with the provision of onsite recreational facilities to serve the new development.

No construction is proposed as part of the change of use permit. The development does not involve an increase in the number of residential units or new floor area that would change the parking demand of the property. The building was constructed to the property lines and has grandfathered parking rights. The proposed development is a retroactive conversion of 31 apartment units to 31 TORS units, and it does not constitute a change in density or the intensity of land use. One unit (#308) was determined by the Los Angeles Housing Department ("LAHD") to have affordable rent. The applicant has been required to record a covenant, to the satisfaction of LAHD, restricting the unit for Moderate Income level tenants. The operation of a visitor-serving use will not impede public access to Venice Beach.

The applicant has requested that LADOT change the Breeze Avenue street frontage from a no parking zone to 15 minute parking. If approved, this will allow the guests of the TORS to unload their vehicles without blocking traffic on Speedway which was a complaint of a nearby property owner. The Venice Breeze Suites has bicycles for use by the guests as well as room for parking of seven additional bicycles. Ocean Front Walk The development will not adversely affect public access to the public beach and recreation area or affect public views. There will be no dredging, filling or diking of coastal waters or wetlands associated with the request or with any sensitive habitat areas, archaeological or paleontological resources identified on the site.

2. The development will not prejudice the ability of the City of Los Angeles to prepare a Local Coastal Program (LCP) that is in conformance with Chapter 3 of the California Coastal Act.

Coastal Act Section 30604(a) states that prior to the certification of a Local Coastal Program ("LCP"), a coastal development permit may only be issued if the a finding can be made that the proposed development is in conformance with Chapter 3 of

the Coastal Act. The Venice Local Coastal Land Use Plan ("LUP") was certified by the California Coastal Commission on June 14, 2001; however, the necessary implementation ordinances have not been adopted. The LUP designates properties along Ocean Front Walk from 17th Avenue to the Santa Monica City Line as North Venice Community Commercial.

The LUP encourages "visitor-serving and personal services emphasizing retail and restaurants" at the subject location. Policy I. A. 17 of the LUP states that "overnight visitor-serving uses, such as hotels and youth hostels, are preferred uses in Community Commercial and General Commercial land use categories. A transient occupant residence is a permitted use under the subject zoning and the LUP. As conditioned, the development will not prejudice the ability of the City to prepare a LCP.

3. The Interpretive Guidelines for Coastal Planning and Permits as established by the California Coastal Commission and any subsequent amendments thereto have been reviewed, analyzed and considered in making this determination.

The California Coastal Commission's interpretive guidelines have been reviewed and considered in preparation of these findings. However, following prevailing case law (e.g., Pacific Legal Foundation v. Coastal Commission (1982) 33 Cal.3d 158), the City's determination is based on the cited provisions of the California Coastal Act and other legally established laws and regulations.

4. The decision herein has been guided by applicable decisions of the California Coastal Commission pursuant to Section 30625(c) of the California Public Resources Code.

The decision on the development permit was guided by the Coastal Commission's approval of Coastal Development Permit No. 5-11-265 for the property located at 401 Ocean Front Walk. The December 26, 2006 Memorandum issued by the Coastal Commission on *Condominium-Hotel Development in the Coastal Zone* was reviewed as well. Generally, the Coastal Commission has tended to support and encourage the retention of viable visitor-serving facilities, particularly those with historical significance or that provide low cost accommodations. This project does not appear to create any precedent contrary to what is established in the vicinity. Further, the exterior of the building will not be altered and patronage will not be affected.

5. If the development is located between the nearest public road and the sea or shoreline of any body of water located within the coastal zone that the development is in conformity with the public access and public recreational policies of Chapter 3 of the California Coastal Act of 1976.



Section 30210 of the Coastal Act states the following in regards to public access:

In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, right of private property owners, and natural resources from overuse.

Section 30211 of the Coastal Act states the following in regards to public recreation policies:

Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

The development is located on a property that has frontage on Breeze Avenue and Speedway, two public roads which are open to vehicular traffic, however, Breeze Avenue terminates at Ocean Front Walk and there is no public parking located at that section of Venice Beach. The property's westerly frontage is adjacent to Ocean Front Walk which is not a public road. There is a bikeway located on the seaward side of Ocean Front Walk and the project provides bicycles for their guests. The building was constructed in 1930 and there is no construction proposed as part of this permit and no change in public access. Visitors seeking recreational activities at the beach will continue to have unimpeded pedestrian access. The development is conformity with the public access and public recreational policies of the Coastal Act.

6. An appropriate environmental clearance under the California Environmental Quality Act has been granted.

A Mitigated Negative Declaration (ENV-2012-2839-MND) was prepared for the proposed project consistent with the provisions of the California Environmental Quality Act and the City CEQA Guidelines. The MND concluded that after the implementation of the mitigation measures, the proposed development will not result in any significant impacts to the environment. The MND prepared for the proposed development was appropriate pursuant to CEQA.

7. The project is consistent with the special requirements for low and moderate income housing units in the Coastal Zone as mandated by California Government Code Section 65590 [Mello Act].

The Mello Act is a State law which mandates local governments to comply with a variety of provisions concerning the demolition, conversion, and construction of residential units in California's Coastal Zone. The Mello Act requires that very low, low and moderate income housing units that are demolished or converted must be replaced and that new residential developments must reserve at least 20 percent of all new residential units for low or very low income persons or families or reserve at least 10 percent of all new residential units for very low income persons or families.



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The Mello Act prohibits change of use or demolition projects that remove existing residential units (including market-rate residential units) for purposes of a new non-residential use unless the new use is coastal dependent.

The proposed project is located in the Coastal Zone, as defined in California Public Resources Code, Division 20 (commencing with Section 30000), as depicted on the City of Los Angeles Coastal Zone Maps. On September 14, 2012, the Los Angeles Housing Department issued a Mello Determination Memorandum which concluded that there is one affordable unit (#308) located at the subject property. A condition of approval requires the owner to record a covenant with LAHD to restrict one unit for moderate income use. As conditioned, the project is consistent with the Mello Act.

CONDITIONAL USE PERMIT FINDINGS

8. The project will enhance the built environment in the surrounding neighborhood or will perform a function or provide a service that is essential or beneficial to the community, city or region.

The applicant is requesting a change of use permit to legalize the conversion of a 31-unit apartment building into a 31-guestroom TORS. Pursuant to LAMC Section 12.24-W,24, In the C1-1 Zone, TORS located within 500 feet of an A or R Zone require approval of a conditional use permit. The subject property is located adjacent to RD1.5-1 zoned property developed with a triplex. The Venice Breeze Suites provides long and short term accommodations for visitors of Venice Beach. No construction is proposed and there will be no changes in the operation of the use. The conditions of approval provide an inherent incentive to the applicant to operate the business with regard to the established community and to maintain a viable track record. As conditioned herein, the project will continue to provide a beneficial service to the Venice Beach community.

9. The project's location, size, height, operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare and safety.

The project is located on a 4,398 square-foot corner lot located on Breeze Avenue adjacent to Ocean Front Walk in North Venice Beach. The site is developed with a four-story 31-unit apartment building. No changes are proposed to the project's location, size, operations or other significant features. The adjacent properties to the east are zoned RD1.5-1 and developed with multiple-family uses. The properties to the north and south along Ocean Front Walk are zoned C1-1 and developed with offices and retail uses. Venice Beach is located to the west of Ocean Front Walk and is zoned OS-1XL-O. Venice Beach is a popular tourist destination spot and the Venice Breeze Suites has been operating since 2007. The property owner has renovated the building and the operation of the use has been compatible with adjacent properties. The application was supported by numerous property owners, the Council Office, and the Venice Neighborhood





Council. Conditions of approval requiring the installation of surveillance cameras, graffiti removal, and a TDM program have been imposed to ensure the operation of the use does not adversely affect or degrade the surrounding neighborhood or public health, welfare and safety.

10. The project substantially conforms with the purpose, intent and provisions of the General Plan, the applicable community plan, and any specific plan.

There are eleven elements of the General Plan. Each of these elements establishes policies that provide for the regulatory environment in managing the City and for addressing environmental concerns and problems. The majority of the policies derived from these Elements are in the form of Code requirements of Los Angeles Municipal Code. Except for the entitlements described herein, the project does not propose to deviate from any of the requirements of the Los Angeles Municipal Code. The Land Use Element of the City's General Plan divides the city into 35 Community Plans. The Venice Community Plan designates the property for Community Commercial land uses with corresponding zones of CR, C2, C4, RAS3, and RAS4, and Height District No. 1. The site is within the North Venice subarea of the Venice Coastal Zone Specific Plan and the LA Coastal Transportation Corridor Specific Plan. The proposed change of use is not a project in the Specific Plan. Granting of the request is consistent with the following Venice Community Plan Policy and Programs:

- Policy 1-2.2: Encourage multiple-family residential development in commercial zones.
- Program: The Plan permits mixed-used or residential only developments in commercial zones.
- Program: The Venice Coastal Specific Plan contains residential density provisions that encourage residential uses in commercial zone for projects located in the Coastal Zone.
- Policy 1-4.2: Ensure that new housing opportunities minimize displacement of residents.
- Program: A decision-maker shall adopt a finding which addresses any potential displacement of residents as part of any decision relating to the construction of new housing pursuant to the provisions of Section 65590.C of the State Government Code, referred to as the Mello Act.

VARIANCE FINDINGS

In order for a variance to be granted, all five of the legally mandated findings delineated in City Charter Section 562 and Municipal Code Section 12.27 must be made in the affirmative. Following (highlighted) is a delineation of the findings and the application of the relevant facts of the case to same:

11. The strict application of the provisions of the Zoning Ordinance would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the zoning regulations.

The applicant is requesting a variance from LAMC Section 12,21-C,6, to deviate from the requirement to maintain a loading space. Section 12,21-C,6 requires a loading space to be provided and maintained on the same lot with every hospital. hotel, or institution building. The LAMC contains an exception to the loading space requirement for lots that abut an alley in the C Zone when all the buildings are erected, structurally altered, enlarged or maintained and used solely as dwellings or apartment houses. The subject property is located in the C1-1 Zone, abuts Speedway, and contains a residential use. However, the proposed TORS is not an enumerated use listed in the exception, and as such, the property owner was advised to file for a variance as there is no room on the property to provide a 400foot loading space. Loading spaces are required for hotels to allow for the safe delivery of goods without impeding vehicular access on the public right-of-way. The subject 31-room TORS does not contain any commercial uses, such as a restaurant, gift shop, or bar, which require the delivery of goods to the property. The property owner is working with LADOT to provide 15-minute parking on the Breeze Avenue street frontage to allow for the loading and unloading of passengers and luggage. The strict application of the zoning regulations would require a portion of the structure to be demolished in order to provide an unnecessary loading space which would be a practical difficulty inconsistent with the general purpose and intent of the regulations.

12. There are special circumstances applicable to the subject property such as size, shape, topography, location or surroundings that do not apply generally to other property in the same zone and vicinity.

The subject property is a rectangular, substandard 4,398 square-foot corner lot fronting on Breeze Avenue and Speedway in the C1-1 Zone. The Venice Beach property is developed with a four-story 15,408 square-foot apartment building. The special circumstances applicable to the subject property are that the building was constructed in 1930 prior to the requirement for parking, and the building was constructed to the lot lines leaving no area to provide a loading space. The Venice Coastal Zone Specific Plan and the Venice LCP encourage the provision of visitor-serving uses such as TORS, however, due to the small size of the property and the location of the existing improvements the owner is unable to provide the required loading space.

13. Such variance is necessary for the preservation and enjoyment of a substantial property right or use generally possessed by other property in the same zone and vicinity but which, because of such special circumstances and practical difficulties or unnecessary hardships, is denied the property in question.

The LAMC provides an exception to the loading space requirement for dwellings or apartment houses but is silent on the proposed use as a TORS. The Cadillac Motel located at 401 Ocean Front Walk was granted a variance in 1993 to allow the continued use of a 30-bed hostel in the R3-1 Zone and was not required to provide a loading space (Case No. 93-0631(ZV)). In 2003, the West Los Angeles Area Planning Commission approved a zone variance to permit the construction of a commercial development with a 115 square-foot loading space in lieu of the 400 square feet required. There is a similar TORS use called Su Casa at Venice Beach located at 431 Ocean Front Walk which was not required to provide a loading space. The applicant here is seeking to be on par with those properties. Therefore, approval of the request will permit the applicant to enjoy a substantial property right while providing loading in a manner substantially similar to other properties in the area.

14. The granting of such variance will not be materially detrimental to the public welfare or injurious to the property or improvements in the same zone or vicinity in which the property is located.

The granting of the variance to not require a loading zone as part of the legalization of the 31-room Venice Breeze Suites will not result in any changes to the operation of the use or result in an increase in the size of the building. The use has been operating without a loading space for over six years. The request was supported by neighboring property owners, the Council Office, and the Neighborhood Council. The one objection raised to the operation was by the owner of a property located at Brooks Avenue who was required to convert her motel to a multi-family dwelling after the zoning of the property was changed from C1-1 to R3-1. The subject building is located in a commercial zone not a residential zone. As there will be no change in the operation, there is no evidence that the granting of the variance will be materially detrimental to other properties in the same zone or vicinity.

15. The granting of the variance will not adversely affect any element of the General Plan.

The Venice Community Plan designates the property for Community Commercial land uses with corresponding zones of CR, C2, C4, RAS3, and RAS4, and Height District No. 1. The site is within the North Venice subarea of the Venice Coastal Zone Specific Plan. The Venice Community Plan and the Venice Coastal Zone Specific Plan are silent in regards to loading spaces. Granting of the variance is consistent with Objective 7.3 of the General Plan Framework Element which states "maintain and enhance the existing businesses in the City". Allowing the use to continue to operate without providing a loading space will not adversely affect any element of the General Plan.

ADDITIONAL MANDATORY FINDINGS

16. The National Flood Insurance Program rate maps, which are a part of the Flood Hazard Management Specific Plan adopted by the City Council by Ordinance No.

PAGE 17

172,081, have been reviewed and it has been determined that this project is located in Zone B, areas between limits of the 100-year flood and 500-year flood.

17. On January 14, 2013, the Department of City Planning issued Mitigated Negative Declaration No. ENV-2012-2839-MND. On the basis of the whole of the record before the lead agency, including any comments received, the lead agency finds that with imposition of the mitigation measures described in the MND, there is no substantial evidence that the proposed project will have a significant effect on the environment. I hereby adopt that action. This Mitigated Negative Declaration reflects the lead agency's independent judgment and analysis. The records upon which this decision is based are with the Environmental Review Section of the Department of City Planning, 200 North Spring Street, Room 750, Los Angeles, CA 90012.

Maya E. Zaitzwely

MAYA E. ZAITZEVSKY U Associate Zoning Administrator Direct Telephone No. (213) 978-1416

MEZ:Imc

cc: Councilmember Bill Rosendahl Eleventh District Adjoining Property Owners

Untitled Document



(INDEX.HTM)

CODE ENFORCEMENT DIVISION

Exhibit 5

Page 1 of 2

Ca.

California Coastal Commission

Home	Property Activity Report	4		
Property Activity Report		•		
Property Profile	Assessor Parcel Number:	4226003001	Official Address:	2 E BREEZE AVE, VENICE 90291
Report A Property Violation	Council District:	Council District 11	Case Number:	247834
SCEP	Census Tract:	273402	Case Type :	Complaint
Owners/Managers	Rent Registration:	0322164	inspector:	Julian Amaya
Tenants/Renters	Historical Preservation			
Residential Property Report	Overlay Zone:		Case Manager:	Lovena McKinney
Ellissed Properties	Total Units:	31	Total Exemption Units:	0
	Regional Office:	West Regional Office		
	Regional Office Contact:	(310)-996-1723		

Nature of Complaint: Change of use/occupancy without Building permit and Certificate of Occupancy

Date 1	Status	
1/16/2015 8:00:00 AM	All Violations Resolved Date	
5/20/2014 12:00:00 AM	Referred to City Attorney	-
4/30/2014 12:05:00 PM	Photos	-
4/16/2013 12:00:00 AM	Notice of General Manager Hearing	-
5/9/2012 1:06:00 PM	Referred to Enforcement Section	
5/9/2012 1:06:00 PM	Complaint Closed	-
3/8/2012 1:13:00 PM	Order Issued to Property Owner	-
3/23/2010 2:30:00 PM	Site Visit/Compliance Inspection	-
3/21/2010 12:00:00 AM	Compliance Date	-
5/21/2009 1:34:00 PM	Site Visit/Initial Inspection	
5/7/2009 12:00:00 AM	Complaint Received	



http://cris.lacity.org/cris/informationcenter/code/index.htm

7/21/2015

Exhibit 5

Page 2 of 2



California Coastal Commission

Search Results

2 Properties matching your search criteria found:

	APN	Address
+	4226003001	2 E BREEZE AVE, VENICE, CA 90291
+	4226003001	2 E BREEZE AVE, LOS ANGELES, CA 90291
Γ	Report a Violation	

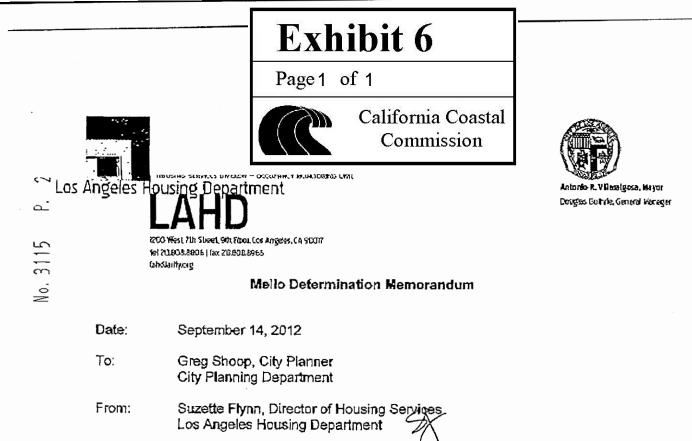
Assessor Parcel Number:	4226003001	Official Address: 2 E BREEZE AVE, VENICE, CA 90291			
Total Units:(legal unit count may vary)	31	Total Exemption Units:	0		
Rent Registration Number:	0322164	Rent Office ID:	West		
*Census Tract:	273402	Code Regional Area:	West Regional Office		
*Council District:	Council District 11	Year Built:	1930		
* - Bureau of Engineering Data the labels.		No	te: For more information please place your mouse over		

Please click on a Case Number to view "Property Activity Report"

Property Cases		
Case Type	Case Number	Date Closed
Complaint	<u>502902</u>	01/13/2015
Legal	<u>247834</u>	01/16/2015
Hearing	<u>247834</u>	03/06/2014
Case Management	<u>247834</u>	01/16/2015
Franchise Tax Board	<u>247834</u>	08/17/2010
Substandard	<u>247834</u>	
Franchise Tax Board	<u>247834</u>	08/12/2010
Property Management Training Program	<u>247834</u>	
Complaint	<u>247834</u>	05/09/2012
Systematic Code Enforcement Program	<u>174349</u>	06/05/2008
Complaint	<u>27468</u>	10/30/2007

0

f City of Los Angeles Housing + Community Investment Department



Subject: Mello Act Determination for 2 Breeze Avenue, Venice, CA 90291

Based on the rental information provided by the owner, Venice Breeze Suites, LLC, it is determined that one (1) affordable unit exists at 2 Breeze Avenue, Unit # 308, Venice, CA 90291. The Owner proposes to convert the property from an extended stay vacation rental into a hotel.

On June 13, 2012, LAHD sent a Request for Determination as Eligible Household Under Mello Act Regulations package via certified mail to Units # 308 and # 406. Apart from the tenants in these two units, all units are occupied by short-term renters, according to the owner. Unit # 406 opted not to provide financial information for the Mello Act affordable rent determination. Unit # 308 provided incomplete income information and did not respond to further queries.

On August 8, 2012, LAHD sent a Request for Determination as Eligible Household Under Mello Act Regulations package via certified mail to the remaining units. The tenants either did not respond or opted not to provide financial information for the Mello Act affordable rent determination.

Per the owner's rent log for the past three years, only unit # 308 has affordable rent.

cc: Los Angeles Housing Department File Venice Breeze Suites, LLC, Owner Richard A. Rothschild, Western Center on Law and Poverty, Inc. Susanne Browne, Legal Aid Foundation of L.A.

SF:MAC:rpb

An Equal Opportunity Affirmative Action Employer

2 Sreeze Ave 29463 CC 455 (Post Office) 19463 Permit Number	2 Owner's Owner's Address (Zone) (State)	Form B-98-30M-11- CITY OF LOS ANGELES DEPARTMENT OF BUILDING AND SAFETY CERTIFICATE OF OCCUPANCY Date Certificate Issued: 8/6/30		
This certifies				
This certifies that, so far as ascertained by or made known to the undersigned, the building at the above address complies with the applicable requirements of the Municipal Code, as follows: Chapter 1, as to permitted uses of said property; Chapter 9, Articles 1, 3, 4, and 5; and with the applicable requirements of the State Housing Act,—for the following occupancies: 4 Stories, Class C, 60 Hooms, 30 apartments,				
	Apartment Build	ling.		
COPY				
NOTE: Any change of use or occupancy <u>must be anneousable</u> the Department of <u>Superintendent of Building</u>				
Exhibit 7		By		
Page 1 of 4		Dy		
California Coastal Commission				

Address of Building 2 Mrsin Permit No. and Year V 1655	DE 1919	DEPARTMENT OF LOW ANGELES CERTIFICATE OF OCCUPANCE
This certifies that, so far a complies with the applical s, Arts. 1, 3, 4, and 5; and	10: 10:0 19 s ascertained by or made known to le requirements of the Municipal Co with applicable requirements of size	NOTE: Any change of use or occupancy must be approved by the Department of Building and Safety. the undersigned, the building at above address de, as follows: Ch. L as to permitted uses; Ch. te Housing Act,-for following occupancies;
Owner R. Abra Owner's 2 Broom Address Vanico		
orm B-952-20M3-49 G.	E. MORRIS, Superintendent of Saint	the By
Exhibit 7 Page 2 of 4 California Coastal Commission	ا ال به میروی پر ۲۰۰۰ میرو در میرو در از ۲۰۰۰ میرو در ایرو در از ۲۰۰۰ از ۲۰۰۰ از ۲۰۰۰ از ۲۰۰۰ از ۲۰۰۰ از ۲۰۰۰ اوس	

CITY OF LOS ANGELES CALIFORNIA



ANTONIO R. VILLARAIGOSA MAYOR

CERTIFICATE OF OCCUPANCY

<u>OWNER</u> VENICE BREEZE SUITES LLC	}		No building or structure or portion thereof ar thereof shall be used or occupied until a Cert	ificate of Occupancy has been
2 BREEZE AVE APT 101				Issued-Valid DATE: JACKSON 01/08/2015
VENICE CA		90291	GREEN - MANDATORY	
SITE IDENTIFICATION ADDRESS: 2 E BREEZE AVE 1-31 902	291			
LEGAL DESCRIPTION TRACT COUNTRY CLUB TRACT	<u>BLOCK</u> 2	<u>LOT(s</u> 1	<u>ARB</u> <u>CO. MAP REF</u> M B 3-76	# <u>PARCEL PIN APN</u> 108A143 252 4226-003-001
This certifies that, so far as ascertained or made known to the complies with the applicable construction requirements (C) the use and occupancy group in which it is classified and we	hapter 9) and/or the applicable	zoning requirement	tts (Chapter 1) of the Los Angeles Municipal	Code for
			DABLE MODERATE INCOME DWELLT VERT 545 SF ROOF AREA TO ROOF DI	
	DTHER Apartment			
PERMITS 13016-10000-12979 13016-10002-12979	13016-10003-12979	l		
STRUCTURAL INVENTORY ITEM DESCRIPTION Stories Basement (ZC)	CHANGED Ø Stories Ø Levels	TOTAL 4 Stories 1 Levels	ELA	DBS
Length Width Height (ZC) Floor Area (ZC)	0 Feet 0 Feet 0 Feet 0 Sqft		DEPARTMENT	F BUILDING AND SAFETY
Type III-A Construction NFPA-13 Fire Sprinklers Thru-out Ri Occ. Group	15094 Sqft	1 5094 Sqft	APPROVAL CERTIFICATE NUMBER	121760
R2 Occ. Group Parking Req'd for Site (Auto+Bicycle) Provided Disabled for Site Provided Offsite for Site Provided Standard for Site	-15094 Sqft O Stalls O Stalls O Stalls O Stalls	314 Sqft	BRANCH OFFICE: COUNCIL DISTRICT: BUREAU: DIVISION: STATUS: STATUS BY: STATUS DATE:	WLA 11 INSPECTN BLDGINSP CofO Issued RICKEY JACKSON 01/08/2015
Exhibit 7 Page 3 of 4			APPROVED BY: EXPIRATION DATE:	Ricky Joren- RICKEY JACKSON
California Coastal Commission				

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rage 2 of 2					Certificate No: *12176		
PERMIT DETAIL							
PERMIT NUMBER PERMIT ADDRESS 13016-10000-12979 2 E Breeze Ave 1-31	PERMIT DESCRIPTION STATUS - DATE - BY CONVERT (E) 31 UNITS APARTMENT TO 30 ROOMS HOTEL WITH 1 CofO Issued - 01/08/2015 AFFORDABLE MODERATE INCOME DWELLING UNIT. RENOVATE 1ST RICKEY JACKSON FLOOR, ADD WHEELCHAIR LIFT AT ENTRANCE AND CONVERT 545 SF SF						
13016-10002-12979 2 E Breeze Ave 1-31		ROOF AREA TO ROOF DECK. SEE COMMENT. SUPPLEMENTAL PERMIT TO ADJUST CHAIRLIFT ENCLOSURE FRAMING DETAIL DUE TO FIELD CONDITION DISCREPANCY SUPPLEMENTAL PERMIT OF 13016-10000-12979 TO CHANGE WHEELCHAIR LIFT GATE TO 90 MINUTE FIRE RATING DOOR/OVERHEAD FRAMING AND RELOCATE STANDPIPE AT STAIR # 01.			Permit Finaled - 11/10/2014		
13016-10003-12979 2 E Breeze Ave 1-31	SUPPLEMENTAL WHEELCHAIR LI				Permit F	TONY T HARTONO Permit Finaled - 11/10/2014 TONY T HARTONO	
PARCEL INFORMATION							
Area Planning Commission: West Los Angeles Census Tract: 2734.02			-	-	ouncil: Venice		
Coastal Zone Cous. Act: YES District Map: 108A143	Community Plan Area: Ven		Council Distri Energy Zone:				
LADBS Branch Office: WLA	Earthquake-Induced Liquel Methane Hazard Site: Meth		Near Source 7		:e: 4.9		
School Within 500 Foot Radius: YES	Thomas Brothers Map Grid		Zone: C1-1				
PARCEL DOCUMENT City Planning Cases (CPC) CPC-1987-648-ICO City Planning Cases (CPC) CPC-1998-119-LCP City Planning Cases (CPC) CPC City Planning Cases (CPC) CPC-2605-8252-CA City Planning Cases (CPC) CPC-24819 Community Development Block Ordinance (ORD) ORD-146323 Ordinance (ORD) ORD-172019 Ordinance (ORD) ORD-172897 Ordinance (ORD) ORD-175693 Ordinance (ORD) ORD-175694 Parking Layout (PKLY) PKG-1 Rent Stabilization Ordinance (RENT) YES Specific Plan Area (SPA) Los Angeles Coastal Transportation Specific Plan Area (SPA) Venice				Block Grant (CDE 72897 PKG-111	k Grant (CDBG) LARZ-Venice 7 -111		
Zoning Administrator"s Case (ZA) ZA-2012-2841-CDP-CU-ZV-MEL	Zoning Information File (ZI for Small Lot Sub	Zoning Information File (Z1) ZI-2406 Dir Inter of Venice SP for Small Lot Sub					
CHECKLIST ITEMS Attachment - Owner-Builder Declaration Attachment - Plot Plan Fabricator Reqd - Structural Steel Permit Flag - Fire Life Safety Clearnce Reqd Special Inspect - Epoxy Bolts Special Inspect - Structural Observation Std. Work Descr - Seismic Gas Shut Off Valve Structural Observation			Special Insp	Fabricator Reqd - Shop Welds Special Inspect - Anchor Bolts Std. Work Descr - Patch Plaster/Drywall			
PROPERTY OWNER, TENANT, APPLICANT INFORMATION							
OWNER(S)			VENICE CA 90291			(310) 453-9656	
TENANT							
APPLICANT Relationship: Architect Eric Sanchez-	116 26th St		SANTA MONICA,	CA 90402		(310) 395-3308	
BUILDING DELOGATED EDOM							
BUILDING RELOCATED FROM:							
(C)ONTRACTOR, (A)RCHITECT & (E)NGINEER NAME (A) Schloeder, Architects	INFORMATION ADDRESS 9402 South 47th Place,	Phoenix, AZ 85044		CLASS NA	LICENSE # BUS12803	PHONE #	
(E) Lambert, John	14225 Margate St,	Sherman Oaks, CA	91401	NA	C38381		
(E) Ng, Edward T W	979 E Muncie Ave,	Fresno, CA 93720		NA	C38552		
(O) , Owner-Builder	,	,		NA	0	(310) 453-9656	
(O) , Owner-Builder	,	3		NA	0		
SITE IDENTIFICATION-ALL ADDRESS: 2 E BREEZE AVE 1-31 90291							
LEGAL DESCRIPTION-ALL							
TRACT COUNTRY CLUB TRACT		<u>T(s) ARB</u> 1	<u>CO.MAP REF_#</u> M B 3-76		ARCEL PIN 08A143 252	<u>APN</u> 4226-003-001	





California Coastal Commission

Exhibit 8

Pages 57 through 73



California Coastal Commission

VENICE BREEZE SUITES

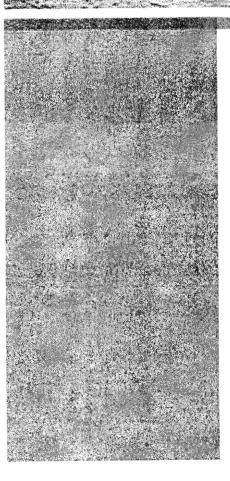
Winter: Oct 1 to May 21

Туре	Rate	Weekend	Weekly	Weekly W/E
ADA Studio	175	190	160	175
UV Studio	175	190	160	175
UV 1 BR	175	190	160	175
POV Studio	250	275	225	250
POV 1 Br	225	250	200	200
OF Jr. Studio	260	280	240	240
OF Studio	275	310	250	275
OF 1 BR	275	310	250	275

Summer: May 22 to Sep 31

Туре	Rate	Weekend	Weekly	Weekly W/E
ADA Studio	200	200	180	180
UV Studio	215	215	190	190
UV 1 BR	200	200	180	180
POV Studio	275	275	250	250
POV 1 Br	250	250	225	225
OF Jr. Studio	300	300	275	275
OF Studio	350	350	325	325
OF 1 BR	350	350	325	325





Prepared For: Mr. Carl J. Lambert President/Attorney at Law Lambert Investments 2 Breeze Avenue Suite 101 Venice, California 90291

Prepared By: PKF Consulting USA a Subsidiary of CBRE, Inc. Los Angeles, California

Date of the Report: February 2015

File No. 52634

RECEIVED South Coast Region

MAR 1 0 2015

CALIFORNIA COASTAL COMMISSION





February 24, 2015

Mr. Carl J. Lambert President/Attorney at Law Lambert Investments 2 Breeze Avenue Suite 101 Venice, California 90291

Dear Mr. Lambert:

Pursuant to your request, we have completed our analysis of current market demand for overnight accommodations in the Venice neighborhood of in Los Angeles, California and surrounding coastline. The purpose of this study is to:

- Analyze supply and demand by type and cost of accommodations;
- Evaluate whether the region has adequate supply of overnight hotel and motel accommodation to meet its current and projected demand; and,

Our market research for this project was undertaken in February 2015. Our analysis of overnight visitor-serving accommodations in Venice and surrounding areas is focused on hotels and motels, and does not include RV parks, campgrounds, vacation rentals, or short term apartment rentals. These overnight accommodations are difficult to identify and track. This is largely due to varying availability, private rental, and unlicensed operations. Our primary data sources included our internal database, PKF Monthly Trends, interviews of management of lodging properties, and our knowledge of the market. PKF Consulting obtained operating data for 85.0 percent of the total 4,011 rooms in the designated area. For properties that we were unable to obtain data for, we prepared estimates based on comparable properties in the area and published rates.

This report is subject to the General Statement of Assumptions and Limiting Conditions presented in the Addenda.

Mr. Carl Lambert Lambert Investments

We would be pleased to hear from you if we can be of further assistance in the interpretation of our findings. We express our appreciation to you for the cooperation extended to us during the course of this engagement and look forward to working with you further. We thank you for the opportunity to complete this assignment on your behalf.

Sincerely, PKF Consulting

-Bath

Bruce Baltin Senior Vice President

EXECUTIVE SUMMARY

In connection with your Coastal Commission Application No. 5-14-1932 for the redevelopment of Venice Breeze Suites, the Coastal Commission has requested that you compile data related to hotel rates in the vicinity. This analysis is intended to respond to this request.

As shown by our proceeding analysis, we have concluded that Venice is a moderately priced destination. Venice is a more affordable location when compared to the coastal zone of Santa Monica and the harbor of Marina Del Rey. As presented below, the designated area has consistently posted occupancies higher than 75 percent, even reaching over 80 percent in recent years, which represents a lack of supply to accommodate demand during peak seasons and presents an opportunity for additional supply to the market.

VENICE BEACH AFFORDABILITY VERSUS OTHER COASTAL DESTINATIONS

Venice Beach as a whole is an affordable destination as compared to other upscale and moderate areas in Southern California. The average daily rate (ADR) for Venice Beach was approximately \$172 in 2013 and estimated to be approximately \$183 in 2014. It should be noted that the below data from PKF Monthly Trends® Report is based on actual average daily rates of moderate and upper priced hotels only and does not include low cost accommodations.

Average Daily Rate - Sample of Moderate and Upper Priced Hotels								
	Actual Year End	Year End Estimate ³	Forecasted Year End					
Coastal Area	2013	2014	2015 ³					
Long Beach	\$135.45	\$138.05	\$144.26					
Venice Beach	171.80	182.611	192.15 ¹					
Mission Bay	176.07	192.00	203.52					
San Diego Bay Areas	195.31	204.45	215.70					
Marina del Rey	200.13	217.47	234.87					
Newport Beach	225.18	234.65	251.07					
Huntington Beach	231.93	247.78	262.65					
South Orange County ²	275.13	284.84	301.93					
Santa Barbara Coast	284.88	311.31	333.10					
Santa Monica	309.47	336.92	362.19					

¹Estimates based on data obtained for the purpose of this study

²Includes Laguna Beach, Dana Point, and San Clemente.

³Estimates based upon PKF Consulting's 2015 Southern California Lodging Forecast.

Source: PKF Monthly Trends®

Supply of Accommodations

To develop conclusions and recommendations concerning the supply and market demand of visitor-serving accommodations in and around Venice Beach, PKF Consulting conducted an analysis of the supply of overnight visitor-serving accommodations within the boundary of Venice, as well the coastal area up to Fourth Street of Santa Monica, and the harbor area of Marina Del Rey. A map is presented in a proceeding page. For the designated area, we analyzed the supply and demand by three price tiers. The price tiers were calculated by utilizing the 2014 ADR for the State of California of \$140.16, as reported by Smith Travel Research. Low cost is defined by multiplying the California ADR by 75 percent. High cost is defined by multiplying the California ADR by 125 percent. The moderate price tier is between 75 and 125 percent. The identified lodging properties were allocated to these three tiers based on the 2014 estimated ADR.

The tiers are defined as:

- Low ADR below \$105
- Moderate ADR between \$105 and \$175
- High ADR above \$175

Summary of Defined Area Supply								
Tier	Hotels	Hotel Ratio	Room Count	Room Ratio				
Low	2	5.0%	50	1.2%				
Moderate	9	22.5%	452	11.3%				
High	29	72.5%	3,509	87.5%				
Total	40	100.0%	4,011	100.0%				

The following presents a summary of the supply within the designated area:

PKF has concluded that there is a sufficient supply of high cost hotels within our designated area. It is important to note the majority of high cost accommodations are located within Coastal Santa Monica and the only two low cost accommodations are located in Venice. The table below summarizes the number of hotels within each observed area.

Hotels by Area and Tier								
	Venice	Santa Monica	Marina Del Rey					
Low	2	0	0					
Moderate	5	2	2					
High	7	18	4					
Total	14	20	6					

Of the total hotels in the set, Venice contains the most low and moderate cost accommodations with two low cost and five moderate cost accommodations when compared to the observed areas in Santa Monica and Marina Del Rey. It is important to note that the areas observed in Santa Monica and Marina Del Rey did not include the entire city.

VENICE BEACH OVERVIEW

The neighborhood of Venice is located within the city limits of Los Angeles, directly south of Santa Monica and north of Marina Del Rey along the Pacific Ocean. It is generally bordered by Navy Street to the north and Washington Boulevard to the south. Current references related to Venice include Venice Beach, Muscle Beach, Windward Plaza, Abbot Kinney Boulevard, and the Venice Beach bike paths where in-line skaters abound.

Named one of the "funkiest towns in America" along with the San Francisco's Mission District and New Orleans, Venice is now home to a melting pot of unique and creative diversity. Modeled after Venice, Italy, this beach neighborhood is home to canals and colonnades, artists and visionaries, musicians, entertainers, street performers, weight-lifters, and many others all in a funky atmosphere. The eclectic mix of people, sights, and experiences that make the area a virtual year-round carnival also make it a desired destination for travelers from around the world. In fact, Venice is one of Southern California's largest tourist attractions, welcoming approximately 16 million visitors every year. The area is also very popular for shooting commercials and movies.

The weather in the Venice area is comfortable year-round, with a cooling ocean breeze. Average summer temperatures range from highs around 70 degrees Fahrenheit to lows in the low- to mid-60s. Winter temperatures range from highs in the mid-60s to lows in the low-50s. Average annual precipitation is approximately 13 inches of rainfall.

NEIGHBORING CITY: MARINA DEL REY

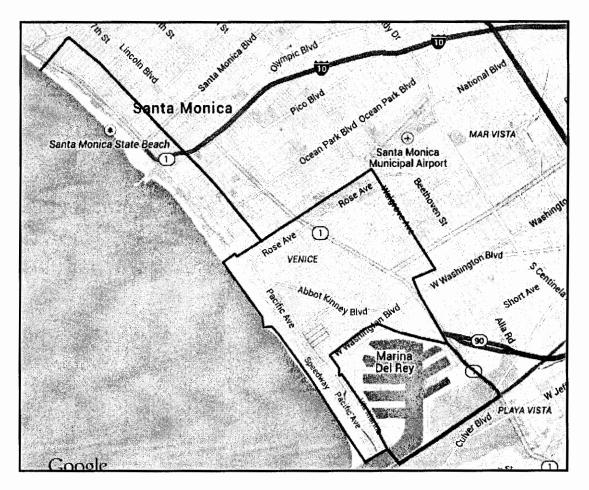
Marina Del Rey is located approximately 15 miles southwest of downtown Los Angeles on the Pacific Ocean coast. It is the largest man-made small craft harbor in the world providing dock and dry storage to more than 4,300 recreational boats. Marina Del Rey encompasses 11.5 square miles. Marina Del Rey offers an exceptional quality of life that has increasingly attracted an affluent resident base. Approximately 8,900 people live in Marina Del Rey.

NEIGHBORING CITY: SANTA MONICA

The City of Santa Monica encompasses 8.3 square miles. Santa Monica's seaside location and shopping environment have made the city a popular visitor destination. Since MGM Studios moved to Santa Monica from Culver City in 1993, there has been an increasing influx of motion picture and entertainment firms moving into the city. Numerous small editing companies, post-production houses, ad agencies, and support services have filled office space nearly to capacity, lured by the low-rise, small-town atmosphere and good weather, as well as by the presence of many creative businesses within proximity to each other.

DEFINED AREA

As previously discussed, we have focused on the Venice neighborhood in Los Angeles, as well as portions of Santa Monica and Marina Del Rey. A map of the defined area is presented on the following page.



In order to develop conclusions about the overnight accommodations in Venice Beach and surrounding areas, the current visitor-serving accommodations supply is broken into three groups. We find these ranges reasonable given the California Coastal Commission's definition of affordable lodging.

Tier	Average Daily Rate
Low	Below \$105
Moderate	Between \$105 and \$175
High	Above \$175

Total Hotel Supply in Defined Area

An inventory of the lodging accommodations available within the defined area was completed. The following table presents the lodging supply within the defined area of focus, followed by a map of their locations, the supply and demand for lodging therein, and our conclusions.

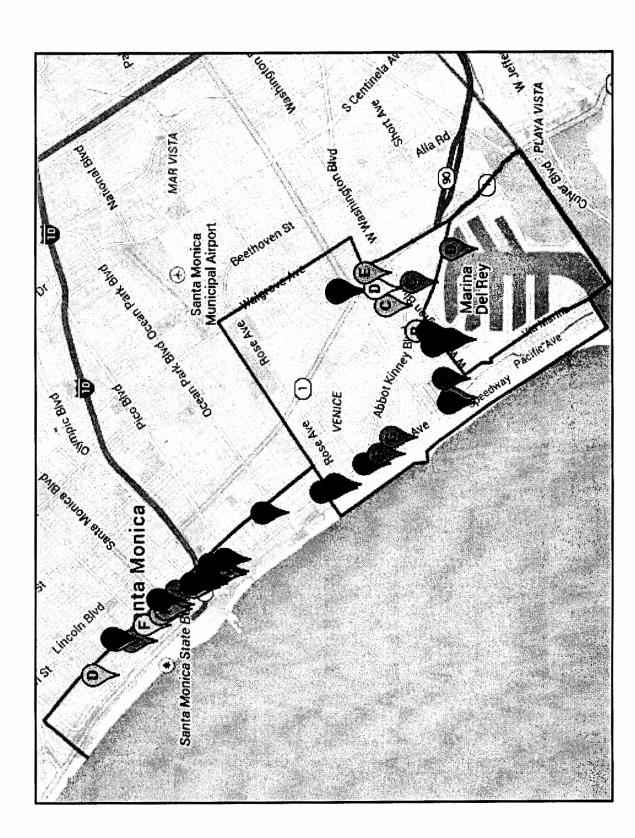
The following table presents all hotels within our defined area with their price tier and room count.

ruge	Page	5
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Hotel	City	Rooms	Price Tie
Hotel Erwin	Venice	119	High
Inn at Marina Del Rey	Venice	61	Moderate
Inn at Venice Beach	Venice	43	High
Jolly Roger Hotel	Venice	82	Moderate
Lincoln Inn	Venice	27	Low
Marina Seven Motel	Venice	23	Low
Ramada MDR	Venice	33	Moderate
Su Casa at Venice Beach	Venice	12	High
The Cadillac Hotel	Venice	43	Moderate
The Rose Hotel Venice	Venice	15	High
The Venice Beach House	Venice	9	Moderate
Venice Beach Suites & Hotel	Venice	20	High
Venice Breeze Suites	Venice	30	High
Venice on the Beach Hotel	Venice	17	High
Bayside Hotel	Santa Monica	45	High
Cal Mar Hotel Suites	Santa Monica	36	High
Casa Del Mar	Santa Monica	129	High
Fairmont Miramar	Santa Monica	302	High
Hotel California	Santa Monica	35	High
Hotel Carmel	Santa Monica	95	High
Hotel Oceana Santa Monica	Santa Monica	63	High
Hotel Shangri-La	Santa Monica	70	High
Huntley Hotel	Santa Monica	204	High
Le Merigot JW Marriott	Santa Monica	175	High
Loews Santa Monica	Santa Monica	347	High
Ocean Lodge Hotel	Santa Monica	20	High
Ocean View Hotel	Santa Monica	66	High
Sea Shore Motel	Santa Monica	20	Moderate
Seaview Hotel	Santa Monica	17	Moderate
Shore Hotel	Santa Monica	164	High
Shutters on the Beach	Santa Monica	198	High
The Georgian Hotel	Santa Monica	84	High
Viceroy	Santa Monica	168	High
Wyndham Santa Monica	Santa Monica	132	High
Foghorn Harbor Inn	Marina Del Rey	23	Moderate
Hilton Garden Inn MDR	Marina Del Rey	135	High
Jamaica Bay Inn	Marina Del Rey	111	High
Marina Del Rey Hotel	Marina Del Rey	164	Moderate
Marriott MDR	Marina Del Rey	370	High
The Ritz-Carlton MDR	Marina Del Rey	304	High

The following is a list of all properties within the defined area with their respective map codes. This is followed by a map setting forth the locations.

	Venice
A	Venice Breeze Suites
В	Inn at Venice Beach
С	Inn at Marina Del Rev
D	Jolly Roger Hotel
E	Ramada MDR
F	Venice Beach Suites & Hotel
G	Hotel Erwin
н	The Venice Beach House
I	Marina Seven Motel
J	Lincoln Inn
ĸ	The Rose Hotel Venice
L	The Cadillac Hotel
М	Su Casa at Venice Beach
Ν	Venice on the Beach Hotel
	Santa Monica
А	Casa Del Mar
В	Loews Santa Monica
С	Fairmont Miramar
D	Hotel Oceana Santa Monica
Ε	Huntley Hotel
F	Hotel Shangri-La
G	The Georgian Hotel
н	Shore Hotel
I	Wyndham Santa Monica
J	Shutters on the Beach
Κ	Ocean View Hotel
L	Hotel California
М	
Ν	
0	Sea Shore Motel
Ρ	Le Merigot JW Marriott
Q	Viceroy
R	Ocean Lodge Hotel
S	Cal Mar Hotel Suites
T	Hotel Carmel
	Marina Del Rey
A	Marriott MDR
B	Hilton Garden Inn MDR
C	The Ritz-Carlton MDR
D	Marina Del Rey Hotel
E	Jamaica Bay Inn
F	Foghorn Harbor Inn



Demand for Accommodations

The following table presents the historical operating performance for all tiers in the defined area. We have presented 2009 through 2013, as well as year-to-date November 2014 versus the same period in 2013, the most current data available.

Definitions to the terms in the subsequent charts are as follows:

- <u>Annual Supply</u> of rooms represents the total number of room nights available in a year.
- <u>Occupied Rooms</u> is the total number of room nights sold in a year.
- <u>Market Occupancy</u> equals the total number of occupied rooms divided by total supply.
- <u>Average Daily Room Rate</u> is the room revenue divided by the occupied rooms rented.
- <u>Revenue per Available Room (REVPAR)</u> is the market occupancy times the average daily rate or the total room revenue divided by the number of rooms available.
- <u>Compound Annual Average Growth (CAAG)</u> is the year-over-year growth rate over a specified period of time. For the purpose of this study CAAG reflects growth from 2009 to 2013 for supply, occupied rooms, average daily rate, and RevPAR.

	Historical Market Performance – Designated Area									
	Annual	Percent	Occupied	Percent	Market	Average	Percent		Percent	
Year	Supply	Change	Rooms	Change	Occupancy	Daily Rate	Change	REVPAR	Change	
2009	1,362,180	N/A	981,933	N/A	72.1%	\$222.06	N/A	\$160.07	N/A	
2010	1,354,515	-0.6%	1,068,582	8.8%	78.9%	227.66	2.5%	179.60	12.2%	
2011	1,409,995	4.1%	1,130,785	5.8%	80.2%	246.77	8.4%	197.91	10.2%	
2012	1,440,518	2.2%	1,182,655	4.6%	82.1%	259.73	5.3%	213.24	7.7%	
2013	1,415,546	-1.7%	1,180,354	-0.2%	83.4%	280.34	7.9%	233.76	9.6%	
CAAG	1.0%		4.7%			6.0%		9.9%		
13 ytd	1,297,575	N/A	1,094,084	N/A	84.3%	\$282.78	N/A	\$238.43	N/A	
14 ytd	1,281,515	-1.2%	1,088,782	-0.5%	85.0%	310.50	9.8%	263.80	10.6%	
Sourc	e: PKF Consul	ting USA								

Properties in the defined area have historically operated with occupancy levels in the high 70's to mid-80's, and hit 85 percent occupancy in November year-to-date, suggesting that there is an undersupply of rooms in the market. Average daily rate for all tiers in 2013 was \$280.34, which is in the high accommodation tier range. The decrease in annual supply and occupied rooms for 2013 and November year-to-date 2014 is due to the closing of the Marina Del Rey Hotel which reopened in January 2015 after an extensive renovation.

Venice Historical Performance

The following table presents the historical performance of all price tiers within Venice.

	Historical Market Performance - Venice									
	Annual	Percent	Occupied	Percent	Market	Average	Percent		Percent	
Year	Supply	Change	Rooms	Change	Occupancy	Daily Rate	Change	REVPAR	Change	
2009	189,435	N/A	129,808	N/A	68.5%	\$135.34	N/A	\$92.74	N/A	
2010	189,435	0.0%	144,048	11.0%	76.0%	144.89	7.1%	110.17	18.8%	
2011	189,435	0.0%	149,274	3.6%	78.8%	150.66	4.0%	118.72	7.8%	
2012	189,435	0.0%	150,218	0.6%	79.3%	160.32	6.4%	127.13	7.1%	
2013	189,070	-0.2%	156,976	4.5%	83.0%	171.80	7.2%	142.64	12.2%	
CAAG	0.0%		4.9%			6.1%		11.4%		
11/13 ytd	173,375	N/A	145,740	N/A	84.1%	\$174.65	N/A	\$146.81	N/A	
11/14 ytd	173,010	-0.2%	148,013	1.6%	85.6%	185.24	6.1%	158.47	7.9%	
Source: P	KF Consulti	ing USA								

As presented above the hotels and motels in the Venice neighborhood ended 2013 with an ADR of \$171.80, which is in the moderate price tier. The properties in the set achieved occupancy levels ranging from 68.5 percent to 83.0 percent, representing a strong market in need of additional accommodations.

Breakdown by Tier

The following presents a breakout of historical supply and demand by tier within the designated area.

Low Tier Historical Performance (Below \$105)

While there are two low cost accommodations located in the designated area, we were not able to obtain historical operating data for these two properties. After researching published rates during peak and off-season and analyzing comparable hotels, we have concluded that these two hotels operate with an ADR at the top of the low cost tier.

Moderate Tier Historical Performance (\$105 - \$175)

The moderate properties posted occupancies in the high 70's to low 80's consistently during the five year period. The moderate properties within this set continue to position themselves as a good value relative to other more pricey coastal areas such as Laguna Beach and San Diego.

	Historical Market Performance – Moderate Price Tier										
	Annual	Percent	Occupied	Percent	Market	Average	Percent		Percent		
Year	Supply	Change	Rooms	Change	Occupancy	Daily Rate	Change	REVPAR	Change		
2009	161,330	N/A	111,890	N/A	69.4%	\$125.82	N/A	\$87.26	N/A		
2010	161,330	0.0%	123,586	10.5%	76.6%	129.41	2.9%	99.13	13.6%		
2011	161,330	0.0%	125,846	1.8%	78.0%	132.24	2.2%	103.15	4.1%		
2012	161,330	0.0%	130,408	3.6%	80.8%	141.92	7.3%	114.72	11.2%		
2013	144,905	-10.2%	118,599	-9.1%	81.8%	148.26	4.5%	121.35	5.8%		
CAAG	-2.6%		1.5%			4.2%		8.6%			
13 ytd	132,860	N/A	109,827	N/A	82.7%	\$149.26	N/A	\$123.38	N/A		
14 ytd	96,360	-27.5%	84,422	-23.1%	87.6%	164.11	10.0%	143.78	16.5%		
Sourc	e: PKF Cons	ulting USA									

High Tier Historical Performance (Above \$175)

The high tier properties posted occupancies ranging from 72.5 percent to 83.6 percent, with consistent increases in occupancy throughout the five year period. The high cost tier ended 2013 with an ADR of \$295.88, a 7.4 percent increase over 2012. The high cost tier continues to post strong growth as presented by a 9.7 percent increase in year-to-date November 2014 RevPAR as compared to the same period in 2013.

	Historical Market Performance – High Cost Tier										
	Annual	Percent	Occupied	Percent	Market	Average	Percent		Percent		
Year	Supply	Change	Rooms	Change	Occupancy	Daily Rate	Change	REVPAR	Change		
2009	1,196,105	N/A	866,959	N/A	72.5%	\$235.34	N/A	\$170.58	N/A		
2010	1,188,440	-0.6%	941,577	8.6%	79.2%	241.51	2.6%	191.34	12.2%		
2011	1,243,920	4.7%	1,001,961	6.4%	80.5%	262.36	8.6%	211.33	10.4%		
2012	1,274,580	2.5%	1,049,815	4.8%	82.4%	275.53	5.0%	226.94	7.4%		
2013	1,274,215	0.0%	1,065,187	1.5%	83.6%	295.88	7.4%	247.34	9.0%		
CAAG	1.6%		5.3%			5.9%		9.7%			
11/13 ytd	1,168,000	N/A	987,290	N/A	84.5%	\$298.50	N/A	\$252.32	N/A		
11/14 ytd	1,159,970	-0.7%	983,387	-0.4%	84.8%	326.56	9.4%	276.85	9.7%		
Source: P	KF Consulting	g USA									

Venice Breeze Suites

Venice Breeze Suites is a small boutique all-suite hotel located on Ocean Front Walk in the Los Angeles neighborhood of Venice. Venice Breeze Suites currently operates with an ADR at the bottom of the range for a high cost accommodation. As presented in the above analysis, this places Venice Breeze Suites as a more affordable alternative to Santa Monica and Marina Del Rey. All rooms in the hotel include complete kitchens, free high speed internet access, and complimentary parking. These amenities are not commonly offered complimentarily at comparable hotels in this market and therefore, provide a more affordable option for visitors; allowing them to prepare their own meals, save on parking which can be costly along the coast, and utilize the internet without a fee. In an effort to make the suites more affordable, visitors are given the option to choose suites with rates ranging from the low tier to the high tier. Venice Breeze Suites currently offers one suite at \$35 per night, and is available at this price all year. This room provides a low cost accommodation to a market that traditionally markets their rooms for above \$100 per night.

Addenda

Statement of Assumptions and Limiting Conditions

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This report is made with the following assumptions and limiting conditions:

Economic and Social Trends - The consultant assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of the letter of transmittal accompanying this report. The consultant is not obligated to predict future political, economic or social trends.

Information Furnished by Others - In preparing this report, the consultant was required to rely on information furnished by other individuals or found in previously existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either express or implied, is given by the consultant for the accuracy of such information and the consultant assumes no responsibility for information relied upon later found to have been inaccurate. The consultant reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

Hidden Conditions - The consultant assumes no responsibility for hidden or unapparent conditions of the property, subsoil, ground water or structures that render the subject property more or less valuable. No responsibility is assumed for arranging for engineering, geologic or environmental studies that may be required to discover such hidden or unapparent conditions.

Hazardous Materials - The consultant has not been provided any information regarding the presence of any material or substance on or in any portion of the subject property or improvements thereon, which material or substance possesses or may possess toxic, hazardous and/or other harmful and/or dangerous characteristics. Unless otherwise stated in the report, the consultant did not become aware of the presence of any such material or substance during the consultant's inspection of the subject property. However, the consultant is not qualified to investigate or test for the presence of such materials or substances. The presence of such materials or substances may adversely affect the value of the subject property. The value estimated in this report is predicated on the assumption that no such material or substance is present on or in the subject property or in such proximity thereto that it would cause a loss in value. The consultant assumes no responsibility for the presence of any such substance or material on or in the subject property, nor for any expertise or engineering knowledge required to discover the presence of such substance or material. Unless otherwise stated, this report assumes the subject property is in compliance with all federal, state and local environmental laws, regulations and rules.

Zoning and Land Use - Unless otherwise stated, the projections were formulated assuming the hotel to be in full compliance with all applicable zoning and land use regulations and restrictions.

Licenses and Permits - Unless otherwise stated, the property is assumed to have all required licenses, permits, certificates, consents or other legislative and/or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

Engineering Survey - No engineering survey has been made by the consultant. Except as specifically stated, data relative to size and area of the subject property was taken from sources considered reliable and no encroachment of the subject property is considered to exist.

Subsurface Rights - No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

Maps, Plats and Exhibits - Maps, plats and exhibits included in this report are for illustration only to serve as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

(continued)

Legal Matters - No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate consultants.

<u>Right of Publication</u> - Possession of this report, or a copy of it, does not carry with it the right of publication. Without the written consent of the consultant, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with proper written qualification and only in its entirety for its stated purpose.

<u>Testimony in Court</u> - Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance of said hearing. Further, unless otherwise indicated, separate arrangements shall be made concerning compensation for the consultant's time to prepare for and attend any such hearing.

<u>Archeological Significance</u> - No investigation has been made by the consultant and no information has been provided to the consultant regarding potential archeological significance of the subject property or any portion thereof. This report assumes no portion of the subject property has archeological significance.

<u>Compliance with the American Disabilities Act</u> - The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We assumed that the property will be in direct compliance with the various detailed requirements of the ADA.

Definitions and Assumptions - The definitions and assumptions upon which our analyses, opinions and conclusions are based are set forth in appropriate sections of this report and are to be part of these general assumptions as if included here in their entirety.

Dissemination of Material - Neither all nor any part of the contents of this report shall be disseminated to the general public through advertising or sales media, public relations media, news media or other public means of communication without the prior written consent and approval of the consultant(s).

Distribution and Liability to Third Parties - The party for whom this report was prepared may distribute copies of this appraisal report only in its entirety to such third parties as may be selected by the party for whom this report was prepared; however, portions of this report shall not be given to third parties without our written consent. Liability to third parties will not be accepted.

<u>Use in Offering Materials</u> - This report, including all cash flow forecasts, market surveys and related data, conclusions, exhibits and supporting documentation, may not be reproduced or references made to the report or to PKF Consulting in any sale offering, prospectus, public or private placement memorandum, proxy statement or other document ("Offering Material") in connection with a merger, liquidation or other corporate transaction unless PKF Consulting has approved in writing the text of any such reference or reproduction prior to the distribution and filing thereof.

Limits to Liability - PKF Consulting cannot be held liable in any cause of action resulting in litigation for any dollar amount, which exceeds the total fees collected from this individual engagement.

Legal Expenses - Any legal expenses incurred in defending or representing ourselves concerning this assignment will be the responsibility of the client.

Exhibit 9

Pages 75 through 105



California Coastal Commission



Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / www.VeniceNC.org Email: info@VeniceNC.org / Phone or Fax: 310.606.2015



May 15, 2013

Via email: Greg.Shoop@lacity.org Los Angeles Planning Department 200 N. Spring Street Los Angeles, CA 90012-2601

Subject:CHANGE OF USE FROM EXISTING APARTMENT BUILDING
TO HOTELProject Address:2 BREEZE AVENUE

Case Number: ZA-2012-2841-CDP-CU-ZV-MEL

Applicant: Venice Breeze Suites

Madam/Sir:

Please be advised that at a regularly held public meeting of the Venice Neighborhood Council's Board of Officers on April 16, 2013, upon the recommendation of our Land Use and Planning Committee ("LUPC"), the Board of Officers voted to approve the following motion:

The Venice Neighborhood Council supports the Change of Use, as presented:

MOTION: The VNC approves this project as presented (change of use from Apartments to Hotel) and appreciates the applicant's sensitivity to preserving the building.

Please see attached Staff Notes from Community Outreach Meeting held February 9, 2013 at the Westminster Senior Center at 10:00 AM. Supporting files can be found at <u>www.cityhood.org</u> and <u>www.VeniceNC.org</u>.

Please provide a copy of the decision letter to the Venice Neighborhood Council, Post Office Box 550, Venice, California 90294, or electronically to <u>Board@VeniceNC.org</u> and <u>LUPC@VeniceNC.org</u>.

Thank you for your attention to this matter.



Venice Neighborhood Council

PO Box 550, Venice, CA 90294 / www.VeniceNC.org Email: info@VeniceNC.org / Phone or Fax: 310.606.2015



Very truly yours,

Junda Lucks

Linda Lucks President Venice Neighborhood Council

TO:

Planning and Zoning Departments: Greg.Shoop@lacity.org Antonio.isaia@lacity.org

CC:

Applicant: Carl Lambert 2 Breeze Suites Venice, CA 90291

California Coastal Commission: Chuck Posner, <u>cposner@coastal.ca.gov</u>

Councilmember Rosendahl's Office: bill.rosendahl@lacity.org whitney.blumenfeld@lacity.org arturo.pina@lacity.org

Venice Neighborhood Council, <u>board@venicenc.org</u> Jake Kaufman, Chair of Land Use and Planning Committee, <u>Jake@Jake90291.com</u> Secretary of Venice Neighborhood Council, <u>secretary@venicenc.org</u> Linda Lucks, President Venice Neighborhood Council, <u>presidentvnc@gmail.com</u> 2/20/2013 LUPC Motion Recommendation; Approve as presented.

Neighborhood Outreach Meeting 2/9/2013, Westminster Senior Center 10:00 AM

2 Breeze, Venice 90291 -- Change of Use from Residential Apartments to Transient Stay Living

Meeting called to order at 10:15. In attendance were two neighbors and one nearby residence, the applicant, his architect and property manager and the applicant's mother. After I introduced myself, I spoke about the approval process and which steps the public would be allowed to make comments.

One of the neighbors in support of the project commented he felt this sort of project would help to improve the quality of life for local residences. We talked about what issues normally come up with new projects such as parking, height and setbacks. Because this project exists all of these issues would be waved as non-conforming rights and be grandfathered into a new approval.

In talking about parking it was pointed out that a transient (hotel) use is actually a reduction in parking requirements since most guests will come in one car or by taxi. Although the building does offer bike racks on the interior, one comment included adding more racks to the exterior which might help reduce the number of bikes being chained up to sign posts.

As the conversation about bike usage continued, the suggestion was make to install bike racks along the sidewalk that were works of art. Everyone seemed to like this idea. We also talked about giving incentives to employees and guests that used bikes rather than cars. The applicant said he would consider how this might work. The applicant currently offers bikes for guests to check out.

The rooftop patio was talked at some length. The applicant has added new guardrails for guest security. The applicant has self-imposed hours of use to include a nightly closing time of 10 PM every day. The area is also fitted with security close circuit cameras and monitored 24/7 by onsite staff. The rooftop patio is a common space area available to all visitors of said project.

The project employs a total of 3-4 workers. Of these two are considered the property managers who live onsite 24/7. The property managers contact information is posted on the front glass door of the project.

The project is equipped with three washers and dryers for guest usage. They also have a linin service to clean all bedding and linins. Trash is picked up by a commercial trash company. The trash dumpster is located on the property behind a locked entry.

There are two interior fire rated stairway and two existing emergency fire escapes. There is also a small 5 person elevator. One of the units is being maintained as low income for a resident who has lived there for many years. All other units will be at market rate. This does not constitute any change in present use restrictions.

Improvements will be required to the existing building before the City will issue a new certificate of occupancy which includes ADA handicap access. All fire, life and safety issues will be address prior to final approval.

Everyone in attendance agreed this is a great project and would like to see it quickly approved.

Carl Lambert

From:Antonio Isaia [antonio.isaia@lacity.org]Sent:Tuesday, February 19, 2013 5:02 PMTo:Carl LambertSubject:Fwd: 2 Breeze - Council Support

------ Forwarded message ------From: Whitney Blumenfeld <<u>whitney.blumenfeld@lacity.org</u>> Date: 11 February 2013 15:14 Subject: 2 Breeze To: Antonio Isaia <<u>Antonio.Isaia@lacity.org</u>>, Maya Zaitzevsky <<u>Maya.Zaitzevsky@lacity.org</u>>

Hi there,

I am emailing you regarding this project on behalf of the Councilmember.

The Councilmember is supporting this project for a variety of reasons: the extensive renovation of the existing structure, the character and integrity of the Venice Boardwalk has been maintained, the building has been operating as a transient occupancy residential use for the last four years with no complaints, and a dedicated low income unit as requested by LAHD will be provided.

Thank you.

Whitney

Whitney Blumenfeld, LEED AP Senior Planning Deputy Councilman Bill Rosendahl, District 11 200 N. Spring Street, Room 415 Los Angeles, CA 90012 ph. (213) 473-7011 fax. (213) 473-6926 whitney.blumenfeld@lacity.org

Antonio Isaia *(Washington's Birthday - Feb. 22)*

2/19/2013

STATE CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0051 (916) 319-2062 FAX (916) 319-2162

DISTRICT OFFICE ONE WEST MANCHESTER BLVD. SUITE 601 INGLEWOOD, CA 90301 (310) 412-6400 FAX: (310) 412-6354

WEBSITE WWW.ASSEMBLY.CA.GOV/BRADFORD

March 18, 2013

Dear Carl,

Thank you for your presentation to the Venice Chamber of Commerce to discuss the proposed changes to your property on the Venice Boardwalk. The Chamber has thoroughly reviewed your request and has voted to support it. The Venice chamber members are particularly impressed with the extensive renovation of the existing structure. It has tastefully updated the building while maintaining the character and integrity of the Venice Boardwalk and neighborhood.

We understand that you have operated the building as transient occupancy residential use for the last four years with no complaints. Therefore, the proposed use change is really just a formality.

We appreciate that you will be providing a dedicated low income unit as requested by LAHD. It is important to give back.

The approval as a transient occupancy residential use will also mean that you can continue to pay the bed tax that helps the City's revenue base. You also provide affordable visitor serving experience for the coastal area consistent with the California Coastal Plan. I am glad that you provide for bicycle storage in order to encourage green transportation and to reduce parking impacts.

Sincerely,

STEVEN BRADFORD Assemblymember, 62nd District



STEVEN BRADFORD

ASSEMBLYMEMBER, SIXTY-SECOND DISTRICT

COMMITTEES CHAIR, UTILITIES AND COMMERCE LOCAL GOVERNMENT APPROPRIATIONS INSURANCE



Chamber of Commerce ... the creative soul of LA

March 15, 2013

Carl Lambert Venice Breeze Suites 2 Breeze Avenue Venice, CA 90291

Re: 2 Breeze Avenue, Venice CA

Dear Carl,

Thank you for your presentation to the Venice Chamber of Commerce to discuss the proposed changes to your property on the Venice Boardwalk. The Chamber has thoroughly reviewed your request and has voted to support it. The Venice chamber members are particularly impressed with the extensive renovation of the existing structure. It has tastefully updated the building while maintaining the character and integrity of the Venice Boardwalk and neighborhood.

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The approval as a transient occupancy residential use will also mean that you can continue to pay the bed tax that helps the City's revenue base. You also provide affordable visitor serving experience for the coastal area consistent with the California Coastal Plan. We are glad that you provide for bicycle storage in order to encourage green transportation and to reduce parking impacts.

Sincerely m.

Alex Rosales 2012/13 President

P.O. Box 202, Venice, CA 90294 www.venicechamber.net Phone: 310.822.5425 Email: info@venicechamber.net

Carl Lambert

From: Sent: To: [•] Subject: keikozone@pacbell.net Saturday, August 22, 2015 3:02 PM Carl Lambert RE: VENICE BREEZE SUITES, 2 Breeze Ave, Venice, CA 90291

> BLUE OCEAN APARTMENTS 14 BROOKS AVE VENICE, CA, 90291

22 August 2015

Dear Carl,

My 85 years old mother, Masako Shishido wanted me to thank you for concentrated effort to beautify the neighborhood and the building at 2 Breeze

Since 1975, my mother personally witnessed the building deteriorate to such a point that she was so scared for her personal safety to walk past the building because of all the drug dealers passing drugs out the ground-floor windows of the building.

Now as she walks past the Venice Breeze Suites she sees an attractive maintained building and meets wonderful polite tourists from all around the world.

The loading zone for the building has been resolved since you rectified the situation with your management personnel; and our tenants have not had any problems of getting their vehicles onto Speedway from our parking lot.

1

I hope to see you in Venice soon,

Keiko Noda, daughter on behalf of Masako Shishido, Owner Blue Ocean Apartments



March 15, 2013

Venice Neighborhood Council PO Box 550 Venice, CA 90294

Re: Breeze Suites

To Whom It May Concern:

I am writing in support of Venice Breeze Suites obtaining the Conditional Use Permit it needs in order to operate as a hotel. I support this move...

1. As an 18-year Venice resident. Venice Breeze Suites, along with the other properties owned by Lambert Investments, Inc, contribute to Venice's vibrant atmosphere. The clientele drawn to each of these properties serves only to enhance the residential neighborhoods surrounding them.

2. As a Venice historian. It is important that the classic 1930 building occupied by Venice Breeze Suites has a responsible steward who appreciates its historical value and who is able and willing to protect its integrity.

3. As a Venice business owner. The visitors Venice Breeze Suites brings to Venice go on to spend their dollars at many local businesses, including mine.

For all these reasons, Venice Breeze Suites is an asset to the Venice community and should be allowed to remain so. Thank you for your consideration.

Sincerely,

Jonathan Kaplan

Owner, Vintage Venice Reel to Real Tours.







Vintage Venice Reel to Real Tours vintagevenicetours.com 15 18th Avenue, Venice CA 90291 424-999-8687 vintagevenicetours@gmail.com

Long term tenant in 308

Dear Carl Lambert,

It was such a pleasure to meet you. You have inspired me - no bullshit. When you shared your story about your mom being able to cut you down to nothing like that I guess it just made me not feel so alone. When I first broke my back I asked people in my life to pray for my back to heal - even doctors thought I would be in a wheelchair forever. Needless to say...

Last Monday before meeting you I asked some people to pray for my broken spirit - thru all I have been thru that never broke until this past year. I figured if I could get my spirit back I can do anything. I'm sure it's not all you, but ... something switched after meeting you. I seemed to have gotten a bit of me back. I had a four hour conversation with my mom Friday and she amazingly took down all her defenses and heard me for the first time in my life - couldn't stop saying she was so sorry. It was unbelievable. My dad's next, but I have little hope for him - he is a narcissistic son of a bitch. The fuckers left me - both of them - at 17, I went to college, studied a year abroad, held amazing jobs working mostly with execs for fortune 500 companies, never let go of my passion of writing, met with scientists to discuss quantum physics and have a invite to meet Stephen Hawkins this winter and if you spoke to my dad you'd think I was a loser. Fucker. Any other dad would be proud to have a daughter like me.

Anyway, you are a great person. I believe I nailed our common acquaintance - Enzo Morabito. He is a real estate guy in the Hamptons (I grew up with the Baldwin Bros and he sold Alec a house - so that was the immediate connection). I met Enzo in March at the Coronado Hotel, same time I became familiar with you buying the building. I was there for the day and we were having such a great/fun convo he actually got me a suite to spend the night. We ended the evening playing scrabble. When I told my friends they couldn't stop laughing b/c they were like - "Nanc, you were supposed to sleep with him." I told them I didn't get that handbook. Anyway I believe he was the gentleman that said he knew of you and heard great things - does he sound familiar at all. You can see his photo on the internet.

I've also decided I am going to stay living in #308 and am as thankful and grateful as a person could be that you are letting Edwin and I stay on. We went to look at #15 Horizon and met with Tanya, she's great.

We spoke of if I didn't stay for some months (say, Oct - Nov.) I would not have to pay rent - but if you don't think you will fill up the room - I will continue to pay rent, because you really are being too great, it's the least I could do.

Since I got my spirit back I had a bunch of ideas come to me about your building being a more desirable place then your competition. One is to sell the elevator - it's the only elevator on the boardwalk in Venice and maybe you all could market to elders during the winter months. Another is if you could do some pro - environmental stuff, like make all the light bulbs those kind that don't run out - it would save you money too and if you can stand out amongst the others in that aspect - that could be appealing to many, b/c it is the

hottest topic of recent. These were just things that came to my head. Use it, toss it whatever.

I know you mentioned you were all staffed and I'm not looking for full time (I'm working on a documentary I wrote) but I've got a lot of great business background although find it hard to think I'm a good sales person (when I was little I delivered newspapers and was too embarrassed to ask people for the money so I took it out of my own allowance until I couldn't anymore) not my finest selling point, but anytime I had to sell or collect 'gifts' for charity - I always had the highest success rate - still baffeling to me, but it's true.

Below I've listed some friends who I met thru business and have remained friends - good friends for many many years, many have wives I am friendly with as well. In case you ever think of something I maybe can help out with you can call them and they will vouche for my character, work ethics:

Roy Niederhoffer: (212) 245-0400 (Investment Contrarian) spent the last 10 plus years of New Years Eve with he and wife.

Charles Stewart III: (212) 239-5500 (Lawyer) Worked for him for a year or two ten years ago, gives me advise and has always been a good friend.

Tom Iseghohi: (860) 652-8660 (CEO Hudson Group Consulting). He and I worked together at Am Ex during the 9/11 devastation and remain friends. He gives me good business advise.

Sam Sheth: (213) 438-6384 (Clarks Consulting) Met thru going to meetings with Tom (above) Sam could not believe I was only a temp and when I moved out here he and his wife took me to a dinner honoring Chief Bratton. I stay in the closest contact with him b/c he lives here.

I just thought I'd throw it out there if maybe in the future anything comes up.

Most importantly, thank you again for being so lovely to us. Edwin said one of his workers has a child in your daughters school and your reputation is wonderful there as well. You seem to just be one of those rare souls, God Bless you for that. Edwin was blown away that you remembered he had been diving with sharks. Who knows maybe he and I will be an asset to your hotel. Just wanted to express my gratitude and to let you know meeting you seriously altered something. I used to cry so much and go thru boxes of Kleenex wishing I had the sense to have bought stock first. If I had, I'd sell now.

I am going to start collecting boxes and packing little stuff, I know the move is this weekend, so I'll start preparing.

Thank you again. With warm wishes,

Nancy Nancy # 308

November 1, 2012

Venice Breeze Suites 2 Breeze Ave. Venice, CA 90291

Dear Mr. Lambert,

As a long term resident of the Venice Breeze Suite since the year 2000, I would like to let you know that I am very pleased with all the improvements that you have provided for the property. In addition, I am satisfied with the management of the building under the leadership of Mike and Cindy. The public spaces are always clean and orderly, and maintenance is efficient and professional. I have no complains, and look forward to the continuation of my tenancy.

Long tern ternant

JJ - SEABREEZE II, LTD 909 OCEAN FRONT WALK, VENICE, CA 90291 (310) 399-1987

March 15, 2013

Re: Venice Breeze Suites

The management of JJ Seabreeze II, Ltd. supports the planned conversion of Venice Breeze Suites from short-term furnished apartments to a hotel.

Venice Breeze Suites is located across Breeze Avenue from this building. It is a neighbor as well as a parking tenant.

In the past 5 years that Venice Breeze Suites has been here in Venice, its building has been substantially upgraded and is well maintained and clean, definitely a very positive addition to our area.

The owners/management of Venice Breeze Suites have been active in the community promoting and fostering a better Venice.

Venice Breeze Suites is definitely a business that we want to keep in Venice. It has operated as a shortterm furnished rental in the most professional and community manner over the past five years and we believe that it will continue to do so as a hotel without a negative impact on the neighborhood.

Tude

Janice Jerde President, Jerde Development Company General Partner of JJ Seabreeze II, Ltd.

Carl Lambert

From: Sent: To: Subject: Randy Ellevold [randy@venicesuites.com] Friday, April 12, 2013 3:14 PM Carl Lambert FW: Support letter

----Original Message-----From: Nancy Linehan [mailto:savannah85@verizon.net] Sent: Friday, April 12, 2013 3:09 PM To: Randy Ellevold Subject: Support letter

To Whom It May Concern (VNC):

This letter is written in support of the Venice Breeze Suites being issued a

Conditional Use Permit, so that it may operate as a hotel.

The Venice Breeze Suites is an essential part of the west side community; I have personally sent out-of-town visitors to the Suites, because of the location, convenience, hospitality and security of the accommodations.

Please issue a Conditional Use Permit to this invaluable property as part of tourism in southern California.

Thank you for your consideration.

Nancy Linehan Charles

Hi Carl and Venice Chamber board members,

You have done a beautiful job on this property and it is real asset to the Venice boardwalk.

I fully support the efforts to convert this property to a hotel and support the Venice chambers endorsement of this project. You may also use this email to show my support at the VNC meeting on the 19th.

I am sorry I will be unable to attend the VCC meeting this week.

Best of Luck

Andy Andy Layman, proprietor Venice Beach Suites & Hotel 1305 Ocean Front Walk Venice Beach, CA 90291 venicebeachsuites.com 310-871-0215 Cell # andylayman@aol.com

Let's work together toward a greener tomorrow.

Please consider the environment before printing this email.

Page 1 of 1

Carl Lambert

From:Stephen Wolf [swolfswolf@gmail.com]Sent:Saturday, February 09, 2013 2:02 PMTo:Carl LambertSubject:Re: FW: 2 Breeze avenueCarl--

good luck with your project, am happy to support it.

best,

Stephen

On Sat, Feb 9, 2013 at 1:57 PM, Carl Lambert <<u>carl@lambertinc.com</u>> wrote:

Good afternoon. Thank you for including me on this email. I will be in attendance for the VNC public meeting. I support you 100% and if I can be of any assistance please let me know. Good luck!

Rick Macaya 818-222-2800 x 204

From: RMoest@aol.com [mailto:RMoest@aol.com] Sent: Friday, March 15, 2013 6:23 PM To: randy@venicesuites.com Cc: Carl Lambert Subject: Re: FW: Venice Breeze Suites VNC hearing on Tuesday, March 19

I'm sorry but I will not be able to attend the meeting on Tuesday, March 19.

I wholeheartedly support the application for the conditional use permit.

As you know, I am an attorney specializing in land use and free expression cases. Many years ago I was involved in litigation on the side of a Venice neighborhood association who had been sued by developers of a proposed project that threatened the character of Venice Beach. For several years I lived in Venice, on Shell Avenue, and I still live right next door in Mar Vista, with my office in Santa Monica.

I am familiar with the Venice Breeze Suites as well as other Lambert properties, and believe they offer a necessary service for visitors to Venice. They are attractive, very well maintained and managed, and carry no substantial negative implications for either vehicular or pedestrian traffic. I have never heard anyone say anything critical about your properties. On the contrary, they are admired as being a creative and useful addition to the Venice Beach environment.

Please convey my sentiments to the neighborhood council and if I may be of any further assistance please let me know.

Robert C. Moest, Esq. LAW OFFICES OF ROBERT C. MOEST 2530 Wilshire Boulevard, Second Floor Santa Monica, California 90403 (310) 915-6628 (310)- 915-9897 (fax) <u>RMoest@aol.com</u>

Carl-

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Please issue a Conditional Use Permit to this invaluable property as part of tourism in southern California.

Thank you for your consideration.

Nancy Linehan Charles

From:Ferrell [jesebus@verizon.net]Sent:Thursday, February 14, 2013 10:59 AMTo:Carl Lambert

Subject: Change of use for 2 Breeze

Dear Mr. Lambert:

Thank you for the presentation of your project last Saturday. I attended the meeting because I have property on Brooks Avenue and wanted to see what impact your project will have on our community.

I support your change-of-use application and hope the approval process goes smoothly. Your work has not only arrested the previous deterioration of the property but adds quality improvements to the interior while retaining the historic appearance of the structure. You've managed to restore and modernize at the same time.

Another asset of your project is providing quality housing for short-term residents. This adds a more balanced mix in types of housing available in the neighborhood. I believe tenants in this type of housing will spend more at local businesses than permanent residents and because fewer will have personal automobiles, will be less of a burden on our transportation system and parking.

Congratulations on your accomplishments and thank you for improving our community.

George Ferrell

STAPLES We Support Venice Breeze Suites Change of Use to a Hotel EMail name Latic Coresales solutions.com Lati Haythorn David MLaw @ aol. com 1 Mana BIETER BOWM AN BOTH & BKREMIL COM Judiey Salson asalzbuaraubus, can e cole claired gol. com JOELLE DUMAC SHEELAGH CULLEN @ HOTMAIL, SHERREN CULOU Jillpe @ earth Link. net con Vill Prestup alex @ Control - Printing Con Alex Rosales A cathonino Sustmannice con Cathenine Cliqual carol@justtantau.com apol, Tant Katat Fois. robertoravenswork, cam 4 gonza a minail com AIRA GONAU Top on florg Mand BA BOOKS @ ADL. COM colleenshypeworld.com Collentoman Dame sbak @ mac.com Sunny Bak cecilia, castillo @lacity.org 6 Cecilia Castillo mikemullen. 913 Qamai Michael Mullen MNEWHOUSE ONEWHOUSE SEADING ... MIKE NEWMOUSE

We support The Venice Breeze Suites, Hotel @ 2 Breeze Avenue SIGNATURE SHEET

Page 3 of 3

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We support The Venice Breeze Suites, Hotel @ 2 Breeze Avenue

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We support The Venice Breeze Suites, Hotel @ 2 Breeze Avenue signature sheet

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We support The Venice Breeze Suites, Hotel @ 2 Breeze Avenue

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We support The Venice Breeze Suites, Hotel @ 2 Breeze Avenue SIGNATURE SHEET

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We support The Venice Breeze Suites, Hotel @ 2 Breeze Avenue signature sheet

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We support The Venice Breeze Suites, Hotel @ 2 Breeze Avenue signature sheet

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We support The Venice Breeze Suites, Hotel @ 2 Breeze Avenue

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Exhibit 10

Pages 107 through 160



California Coastal Commission



Venice Community Housing Corporation

720 Rose Avenue, Venice, California 90291-2710 Tel: (310) 399-4100 Fax: (310) 399-1130 Web: www.VCHCorp.org

July 13, 2015

California Coastal Commission South Coast Area Office 200 Ocean Gate, suite 1000 Long Beach, CA 90802-4302

Re: Opposition to CDP Application #5-14-1932; 2 E. Breeze Ave., Venice.

Dear Coastal Commissioners:

Venice Community Housing (VCH) is a Venice based community development non profit corporation that has worked to protect and increase affordable housing in Venice and surrounding neighborhoods for over 26 years.

VCH opposes the CDP application of Carl Lambert for a change of use of a 31 unit multi-family residential structure to a hotel at 2. E. Breeze Avenue in Venice, California. As the Attachment B to the applicant's application acknowledges, this residential apartment building was illegally converted to a 31-guest room extended stay hotel by the prior owner. This development is in the dual permit jurisdiction area of the Venice coastal zone and, therefore, requires a CDP from both the City of Los Angeles and the Coastal Commission.

In approving a CDP, among other things, for this project, the City of Los Angeles made findings under the Los Angeles Municipal Code required before a CDP may be issued pursuant to the Coastal Act. *See* Applicant's Attachment B; May 20, 2013 City of Los Angeles Approval in Case No. ZA 2012-2841 (CDP)(CU)(ZV)(MEL). In particular, the City improperly found the project was "consistent with the special requirements for low and moderate income housing units in the coastal zone as mandated by California Government Code §65590 [Mello Act]." *Id* at pp. 12-13; *see* finding #7. The City was required to make this finding because compliance with the Mello Act is a policy of the City's certified Venice Local Coastal Program Land Use Plan ("LUP"). Accordingly, as discussed below, the Commission should consider *de novo* the issue of Mello Act compliance in the context of LUP consistency and disapprove the application based on noncompliance with the Act.

Standard of Review

VCHC has reviewed the February 10, 2015 "Report on Coastal Act Affordable Housing Policies and Implementation" to the Commissioners and Interested Parties, and recognizes that amendments to the Coastal Act have eliminated the Commission's statutory authority to protect and provide for affordable housing for persons of low and moderate income in the coastal zone. However, as the report concludes, nothing precludes local governments from submitting LUPs with provisions that protect and encourage affordable housing. And, once certified, "these Land Use Plan policies become the standard of review for both implementation plan amendments and coastal development permits issued by the local government and the Commission on appeal." Here, too, in the context of dual jurisdiction, the City's LUP policies recognizing the requirements of Mello Act compliance should guide the Commission.

The City of Los Angeles Venice LUP and its Implementation

Venice LUP Policy 1.A.p (LUP p. 2-15) requires the conversion or demolition of existing residential units to comply with the Mello Act. Although the policy addresses specifically compliance with the requirements for the replacement of units occupied by persons and families of low and moderate income, by implication, that compliance must extend to the threshold requirement in the Mello Act that "[t]he conversion or demolition of any residential structure for purposes of a nonresidential use which is not "coastal dependent", as defined by Section 30101 of the Public Resources Code, **shall not be authorized unless the local government has first determined that a residential use is no longer feasible** at that location." (Emphasis added.) Gov. Code §65590(c). Only if a local government makes this threshold infeasibility determination may it proceed to compliance with the replacement requirement for low and moderate income dwelling units. The City failed to make this infeasibility finding and the Commission should not approve the proposed CDP until that analysis is completed and reviewed by the Commission.

The City of Los Angeles acknowledges this linkage and threshold requirement in the broad manner in which it states the specific Mello Act finding that it must be make to issue a CDP: "The project consistent with the special requirements for low and moderate income housing units in the coastal zone as mandated by California Government Code §65590 [Mello Act]." Moreover, in making finding #7 for this project the City recognized the threshold infeasibility finding it failed to make:

"The Mello Act prohibits change of use or demolition projects that remove existing residential units (including market-rate residential units) for purposes of a new non-residential use unless the new use is coastaldependent." May 20, 2013 City of Los Angeles Approval in Case No. ZA 2012-2841 (CDP)(CU)(ZV)(MEL), p. 13. A hotel at 2. E.Breeze Avenue in Venice clearly is not coastal-dependent. Therefore, the infeasibility analysis required by the Mello Act must be performed and it must be determined that residential use at that location is not longer feasible.

The applicant should not be given preferential treatment because the property has been illegally converted. VCHC requests that the Commission deny the CDP until compliance with the Mello Act, as required by the City LUP, is made.

Thank you for your kind consideration.

Steve Clare Executive Director



July 13, 2015

California Coastal Commission 45 Fremont Street #2000 San Francisco, CA 94105

RE: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

Dear Coastal Commissioners:

We are writing request that you to deny the application to convert the 31-unit apartment building at 2 Breeze in Venice, CA into a 31-room short-term rental *de facto* hotel. This conversion is a clear violation of the Mello Act, and it sets a dangerous precedent for many other vulnerable apartment buildings throughout the Coastal Zone area of Venice that could become targets for similar conversions.

The applicant, Carl Lambert, has already illegally converted 106 units covered by the LA Rent Stabilization Ordinance into illegal short-term rental *de facto* hotel units throughout the Venice neighborhood. These conversions exacerbate the immense pressures on our affordable rental housing stock. Any conversion of housing units into non-coastal-dependent commercial uses is also prohibited under the Mello Act.

The City's Interim Administrative Procedures, which are currently used to enforce the Mello Act in the City of Los Angeles' Coastal Zone, define a Coastal Use as "uses which requires a site on, or adjacent to, the sea to function at all. Examples of Coastal-Dependent uses include fisheries and boating and harbor facilities." (Interim Administrative Procedures for Complying with the Mello Act, 4.2, p. 12). This definition does not cover hotels, which can operate in any area, regardless of their proximity to the sea.

The City's own determination letter for the site states, "The Mello Act prohibits change of use or demolition projects that remove existing residential units (including market-rate residential units) for purposes of a new nonresidential use unless the new use is coastal dependent" (p. 13). Despite this, in the same determination letter, the City approved the illegal conversion.

The settlement agreement between the City of Los Angeles and the Venice Town Council, Inc., *et al.*, which is the legal settlement requiring the City of Los Angeles to enforce the Mello Act through its Interim Procedures, requires that all Mello Act determinations be sent to the Legal Aid Foundation of Los Angeles and the Western Center on Law and Poverty as attorneys of record on the settlement, and to all building applicants. In the case of the 2 Breeze determination to illegally convert 31 apartments into hotel units, the Department of City Planning did not send these notices to the parties specified in the legal settlement, which is why no appeal to this illegal conversion was filed within the 10-day appeal window.

As you can see, there are serious concerns about this project, the process by which the City handled the application, and the implications of the approval of the application for future enforcement of land-use laws in the Coastal Zone, such as the Mello Act.

235 Hill Street Santa Monica, CA 90405 phone (310) 392-9700 fax (310) 392-9765 email: info@power-la.org | www.power-la.org



To review, we request that you deny the illegal conversion of 31 apartments into *de facto* hotel units at 2 Breeze, as requested by Carl Lambert, for the following reasons:

- 1. The Mello Act prohibits the conversion of residential to non-residential uses within the Coastal Zone, unless the new proposed use is Coastal-Dependent
- 2. The use proposed by the applicant is not Coastal-Dependent, as defined by the City's Interim Procedures for enforcing the Mello Act
- 3. The City violated its settlement to enforce the Mello Act by not giving proper notice to the Legal Aid Foundation of Los Angeles and Western Center on Law and Poverty when they approved the illegal conversion proposed by the applicant
- 4. The applicant has already illegally converted many other LA-RSO apartments into *de facto*, illegal hotels, which has decreased the affordable housing stock throughout Venice's Coastal Zone, violating the spirit, as well as the letter, of the Mello Act.

Thank you for considering our request on this matter.

Yours,

Bill Pryglecki

Bill Przylucki, Executive Director

Enc.

235 Hill Street Santa Monica, CA 90405 phone (310) 392-9700 fax (310) 392-9765 email: info@power-la.org | www.power-la.org

From:	Todd Darling
To:	Rehm, Zach@Coastal
Cc:	Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org; anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org
Subject:	CARL LAMBERT"S BREEZE PROPOSAL IN VENICE
Date:	Tuesday, July 14, 2015 7:22:18 PM

Dear Commissioners,

Quite simply put, the conversion of what were once apartment houses to hotels along Speedway, Breeze and in other parts of Venice, including the Lambert properties, is illegal and should not be allowed.

Before there is any notion of making this conversion legal, I would urge the Coastal Commission to do require Carl Lambert to do a thorough accounting of each and every tenant who was evicted and follow up interviews and histories. Based on other cases near by, I am doubtful that any of the evictions used to clear these buildings could stand close legal scrutiny.

Converting apartments into hotels is illegal according to local law. Air BnB has incentivized this behavior, and the profit margin is so high, that it makes the property owner's down side - return to long term apartment rentals - seems worth the risk.

Mr. Lambert's actions are not in the community's best interest: they violates local housing law on short term rentals, they violate the land use plan by removing affordable housing from the market, and they violate the state's Mello Act and the other Coastal Commission rules.

Please, deny this attempt to subvert the law, destroy housing opportunities for a diverse community, and profit from illegal behavior that the City of Los Angeles is unwilling or unable to stop.

Sincerely, Todd Darling Venice, CA

From:	<u>Hugo</u>
То:	Rehm, Zach@Coastal
Cc:	Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org; anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org
Subject:	(City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))
Date:	Tuesday, July 14, 2015 1:13:36 PM
Importance:	High

Hugo Sosa Venice Resident

July 11, 2015

(City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use.

Dear Mr. Rehm,

I have worked in Venice for several years and find it a very agreeable place to work and live.

Having read data about the above application, I am writing with great opposition to the proposal.

It is important to understand the history of the building at 2 Breeze, known as the Venice Breeze Suites. The owner has operated and continues to operate illegally as a short-term rental commercial building when its existing legal use is as an apartment building. The property owner, Venice Breeze Suites, LLC, incurred a citation for the illegal change of use of the property. Instead of complying with the Code, it has decided to remedy these infractions by applying for a change of use. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, hence it is misleading to claim that the current hotel use remains a "residential" use. It is a tourist, transient-occupancy use, not a residential (primary living unit) use. The city merely turned a blind eye and failed to enforce the violations and conversion of apartments to transient use, and now that more than a year has passed, they have allowed, in their LAHD Mello Act Determination letter in your file, the applicant to simply inform them that there is only "one" residential unit to be kept under the Mello Act. The letter from LAHD dated September 14, 2012, states, "Based on the rental information provided by the owner", that only one affordable residential unit exists at the site, and occupants of other units failed to respond to the inquiry for financial information. This is clearly a fiction, since the other 30 illegally converted units cannot claim to be "grandfathered" as transient uses now, due to mere inaction by the city. In legal parlance, the entire 31 units are still residential apartments and the city's grant of Mello Act clearance is based on the fiction that only one unit is an apartment. Your staff should examine how many units qualified under the Mello Act before they were used as transient hotel rooms without lawful conversion and approval by this Commission.

I trust that the above objections will be taken fully into account in determining this application.

Sincerely,

Hugo Sosa Venice Tax Profession

From:	margaret sinks
To:	Rehm, Zach@Coastal
Cc:	Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org; anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org
Subject:	(City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL)
Date:	Tuesday, July 14, 2015 11:35:48 AM

7/10/15

Dear Mr. Rehm,

Planning Reference: (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

Description: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use.

I write in connection with the above planning application. I have examined the plans and I know the site well. I wish to object strongly to the inappropriate alteration of this listed historic building.

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastal-dependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request.

Although operating the property as an apartment building may not be the most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building.

Please reconsider the granting of this application, as I stand for my community and the integrity of this city and its people.

Yours faithfully,

M. Sinks

From:	Roy Edwards
To:	Rehm, Zach@Coastal
Cc:	Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org; anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org
Subject:	Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP
Date:	Tuesday, July 14, 2015 9:42:10 AM

Mr. Rehm:

I write as a resident of Venice to express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

I am concerned that the Cadillac Hotel is erroneously being used as a precedent in the application for change of use for the property located at 2 E. Breeze Avenue from a 31-unit rent-stabilized apartment building to a hotel. The only precedent is that the hotel was given a variance for the loading dock and continued hotel operation after the zone was changed, but it was always a hotel, not apartments.

The Cadillac Hotel has, since its establishment in 1927, been a hotel. The oldest available Certificate of Occupancy issued on September 23, 1966 states that the building is used as a "Four-story Type III-A, 47'6" x 123'6" Hotel, having 1-Dwelling Unit, 42 Guest Rooms and Three Two-Room Suites". This is further evidenced by the fact that none of the units at the Cadillac Hotel (other than the dwelling unit) were constructed with or have ever contained kitchens. Although a variance was issued in 1993 to allow for the continued use of the property after a zoning change was made in the area, the Cadillac Hotel has always been a legally operating hotel.

Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. However, this is not possible given that 31 apartments, a residential use, are being removed from the residential market to be converted to transient occupancy use, which is a commercial use. This application is for the direct removal of 31 residential dwelling units. Also, it is my understanding that there is no existing off-street parking for the subject property, and that no new parking has been proposed as a part of the application for change of use. While the applicant claims that the room rates should be considered affordable because other hotels charge for parking while his parking is "free", in truth free means they have to park on the street or find their own paid parking elsewhere. Hence, the staff needs to analyze this issue more closely. Moreover, having "no parking" as an apartment building built in 1930 does not mean that parking is simply ignored and grandfathered when the use is *changed* to commercial transient hotel. When a use is changed, the new use is required to comply with code or obtain a variance for off-site parking, which has not occurred here. Parking is a huge issue in Venice impacting casual resources.

In Mr. Lambert's application he alleges that there have been no complaints related to his current use of the property. However, on January 28, 2013, Masako Shisiko, a neighboring business owner, emailed his concerns with regard to the lack of parking at the property. He expressed concern that the 31 hotel rooms lacked any parking, that guests did not have a place to load and unload their luggage and were doing so on Speedway (a vehicle corridor, not a loading area), that the project would affect neighboring businesses, and that a traffic study should be conducted.

It is important to note that the building at 2 Breeze, known as the Venice Breeze Suites, has operated *and continues* to operate illegally as a short-term rental commercial building when its existing

legal use is as an apartment building. The property owner, Venice Breeze Suites, LLC, incurred a citation for the illegal change of use of the property. Instead of complying with the Code, it has decided to remedy these infractions by applying for a change of use. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, hence it is misleading to claim that the current hotel use remains a "residential" use. It is a tourist, transient-occupancy use, not a residential (primary living unit) use. The city merely turned a blind eye and failed to enforce the violations and conversion of apartments to transient use, and now that more than a year has passed, they have allowed, in their LAHD Mello Act Determination letter in your file, the applicant to simply inform them that there is only "one" residential unit to be kept under the Mello Act. The letter from LAHD dated September 14, 2012, states, "Based on the rental information provided by the owner", that only one affordable residential unit exists at the site, and occupants of other units failed to respond to the inquiry for financial information. This is clearly a fiction, since the other 30 illegally converted units cannot claim to be "grandfathered" as transient uses now, due to mere inaction by the city. In legal parlance, the entire 31 units are still residential apartments and the city's grant of Mello Act clearance is based on the fiction that only one unit is an apartment. Your staff should examine how many units gualified under the Mello Act before they were used as transient hotel rooms without lawful conversion and approval by this Commission.

If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastaldependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request.

Although operating the property as an apartment building may not be the most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building. If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007,, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with an change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

I write this letter as a concerned neighbor and Venice resident and ask that it be considered in your determination process and included in your recommendations to the Coastal Commission. It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied.

From:	Mark Kleiman
To:	Rehm, Zach@Coastal
Cc:	Pam; Judy Goldman
Subject:	Fwd: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841
Date:	Monday, July 13, 2015 11:04:12 PM

Dear Mr. Rehm,

I hope you will accept this late submission. As you can see from the email I am forwarding to you, I sent it to your colleagues on the Commission staff at three p.m. yesterday afternoon. I did not discover my inadvertent misspelling of your name until recently, and have promptly moved to rectify this flaw in my otherwise timely submission.

Thank you,

Mark Kleiman

Jul 13, 2015 at 3:00 PM Subject: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL)) To: <u>zack.rehm@coastal.ca.gov</u> Cc: Charles Lester <<u>charles.lester@coastal.ca.gov</u>>, john.ainsworth@coastal.ca.gov, <u>Steve.Hudson@coastal.ca.gov</u>, teresa.henry@coastal.ca.gov, <u>chuck.posner@coastal.ca.gov</u>, al.padilla@coastal.ca.gov, tricia.keane@lacity.org, <u>chris.robertson@lacity.org</u>, lincoln.lee@lacity.org, anna.ortega@lacity.org, kevin.keller@lacity.org, ashley.atkinson@lacity.org, kelli.bernard@lacity.org

Dear Mr. Rehm:

I write as someone who lives, works, and owns in Venice, and not as a member of the Land Use and Planning Committee.

Venice has already lost hundreds of affordable units – and this application proposes to strip us of 31 more – all rent-stabilized. This flies in the face of the Coastal Act which calls upon the Commission to "encourage housing opportunities for persons of low and moderate income" and to "encourage the protection of existing and the provision of new affordable housing opportunities for persons of low and moderate income." *Public Resource Code* §30604 (f) and (g).

We are entirely dependent on the Coastal commission to enforce these guidelines

since the City of Los Angeles has – yet again – simply refused to follow the law and protect these scarce resources. This situation is especially dire. The applicant and his business associates are eager to establish a precedent that would allow removing many more rent-stabilized units from the market and converting them to STRs.

This application also jeopardizes the one thing that is even more scarce than affordable housing – parking. Long-term residents of 2 Breeze and their neighbors *know* that there is no parking. Many of them don't even own cars. Moving dozens of tourists into this overburdened neighborhood will only increase the demand for extremely limited parking and worsen the parking conditions.

One final point: Because the applicant is a repeat offender, this cannot be 'fixed' or adjusted. Only an unequivocal denial of the CDP and variance will work. This applicant has repeatedly flouted the law in other buildings in the neighborhood, and on buying a building does everything he can to drive existing residents in rent-stabilized units from the building.

Please deny this application.

Sincerely,

Mark Kleiman

Law Office of Mark Kleiman 2907 Stanford Avenue Venice, California 90292 <u>310-306-8094</u> <u>mkleiman@quitam.org</u> <u>www.quitamspecialist.com</u>

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Thank you.

Mark Kleiman

Law Office of Mark Kleiman 2907 Stanford Avenue Venice, California 90292 310-306-8094 <u>mkleiman@quitam.org</u> <u>www.quitamspecialist.com</u>

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Thank you.

From:	Devona w
To:	Rehm, Zach@Coastal
Cc:	harles.lester@coastal.ca.gov; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org; anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org
Subject:	Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP
Date:	Monday, July 13, 2015 5:47:15 PM

7/8/2015

Dear Mr. Rehm,

Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use.

Reference: (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

I am writing to object to the above application.

By allowing Carl Lambert of Venice Breeze Suites, LLC to modify the current zoning and use of this apartment building, This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with an change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

Overall, I feel the approval of this application would not be in the best interest of the citizens of Venice, and I strongly urge you to reconsider your decision.

Sincerely,

D.L. Williams

www.**imdb**.com/name/nm3654598/ 310-954-7970

From:	Jed Pauker
To:	Rehm, Zach@Coastal
Cc:	Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org; anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org
Subject:	Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP
Date:	Monday, July 13, 2015 5:25:26 PM

Date: July12, 2015

To: Zach Rehm, Coastal Program Analyst, California Coastal Commission

 cc: Dr. Charles Lester, Executive Director, California Coastal Commission Jack Ainsworth, Senior Deputy Director, California Coastal Commission Steve Hudson, Deputy Director, California Coastal Commission Teresa Henry, District Manager, South Coast District Office, California Coastal
 Commission: Chuck Posner, California Coastal Commission: Al Padilla, Regulatory Permit Supervisor, California Coastal Commission Tricia Keane, Planning Director, CD 11 Chris Robertson, Senior Planner, CD 11 Lincoln Lee, Chief, Code Enforcement Bureau, LADBS Anna Ortega, Director Rent Stabilization Division HCIDLA Kevin Keller, Director, Planning and Housing Policy Ashley Atkinson, Planning and Housing Specialist Deputy Mayor, Economic Development

Re: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31 unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

Dear Mr. Rehm et al:

I write this letter representing only myself, as an individual Venice Coastal Zone stakeholder.

Please oppose the above-referenced project as proposed. Instead of increasing visitor-serving resources as purported, its effects will be detrimental, including, but not limited to:

1) Decrease of coastal access for current visitors and residents of the Venice Coastal Zone,

2) Reduction of equal beach access for visitors from all walks of life,

3) Intensification of existing congestion of the Venice Coastal Zone (whose main intersections have rated "D" and "F" levels since their initial measurements some thirty years ago), and

4) Further erosion of Venice's unique community character, mandated for protection

under the Coastal Act.

While time does not permit me a detailed response to the project applicant's claims, nor to list the City's repeated and regrettable failures to protect Coastal residents and visitors from continuing abuses of its own regulations, please understand that this project is just one of many constant and diverse assaults on Coastal Venice, with regard neither for its residential diversity nor the Coastal Act's mandate.

I am sure that you hear similar concerns up and down the coast. Please be assured that Venice is a community that is fighting - in the public forum, the courts and, with gratitude, at your meetings - to preserve its unique and most endearing attributes, for all who would come here. I hope we can count on your support.

As always, thank you for your ongoing and dedicated public service.

Sincerely,

Jed Pauker 824 Amoroso Place Venice, CA 90291

For information purposes only: Communications Officer, Venice Neighborhood Council Board of Officers

From:	<u>William Ballough</u>
To:	Rehm, Zach@Coastal
Subject:	Lambert Breeze Ave. application
Date:	Monday, July 13, 2015 5:24:19 PM

It appears the city "allowed" hotels to convert guest rooms to long term apartments with stoves without providing necessary parking some years ago because they served the itinerant poor. http://www.sandorarchitecture.com/cofu.html

There is now a ban on such conversions because the stove added rooms were rather being rented to long term (average income) individuals. Airbnb has changed this situation. Owners like Lambert now wish to convert back to hotel use because it will permit them to rent to even more affluent vacationers. The current parking requirement is one parking space per 500 square feet. That requirement is too low, given the fact that such rentals are being made to groups and individuals with additional local visitors. The permit should be denied unless the applicant can provide the current Commission required parking for apartments.

From:	Keep Neighborhoods First Team
То:	Rehm, Zach@Coastal
Cc:	Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; Tricia Keane; chris.robertson@lacity.org; lincoln.lee@lacity.org; Anna Ortega; Kevin Keller; Ashley Atkinson; Kelli Bernard
Subject:	Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31 unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP
Date:	Monday, July 13, 2015 4:50:45 PM

Date: July12, 2015

To: Zach Rehm, Coastal Program Analyst, California Coastal Commission

CC: Dr. Charles Lester, Executive Director, California Coastal Commission Jack Ainsworth, Senior Deputy Director, California Coastal Commission Steve Hudson, Deputy Director, California Coastal Commission Teresa Henry, District Manager, South Coast District Office, California Coastal Commission: Chuck Posner, California Coastal Commission: Al Padilla, Regulatory Permit Supervisor, California Coastal Commission Tricia Keane, Planning Director, CD 11 Chris Robertson, Senior Planner, CD 11 Lincoln Lee, Chief, Code Enforcement Bureau, LADBS Anna Ortega, Director Rent Stabilization Division HCIDLA Kevin Keller, Director, Planning and Housing Policy Ashley Atkinson, Planning and Housing Specialist Deputy Mayor, Economic Development

Re: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31 unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

Mr. Rehm:

I write to you on behalf of the hundreds of Venice and greater Los Angeles residents that make up Keep Neighborhoods First. We are a grassroots coalition that protects the interests of ordinary people against commercial short-term rental operations that remove our affordable housing, threaten our safety, and diminish our quality of life.

Carl Lambert seeks to legitimize one such illegal operation at 2 E. Breeze. We respectfully request that his application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

Mr. Lambert has approached the Coastal Commission to seek amnesty from justice for his illegal activities. It is important to note that the building at 2 Breeze, known as the Venice Breeze Suites, has operated *and continues* to operate as a short-term rental commercial building when it's existing legal use is as Rent Stabilized apartment building. The property owner, Venice Breeze Suites, LLC, incurred a citation for a Change of use/occupancy without a building permit and Certificate of Occupancy. Instead of complying with the Code, it appears that Mr. Lambert has decided to remedy these infractions by continuing to operate as a rent stabilized hotel and to apply for approval ex post facto. Mr. Lambert's claim that the current hotel use remains a "residential" use is misleading. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, and 2 Breeze clearly fits the description of the latter.

Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. This is not possible: 31 apartments are being removed from the residential market to be converted to a transient occupancy use, which is a commercial use.

It is also our understanding that there is no existing off-street parking for these units, and that no new parking has been proposed as a part of the application for change of use. While the applicant claims that the room rates should be considered affordable because other hotels charge for parking while his parking is "free", he means they have to park on the street or find their own paid parking elsewhere. Hence, the staff needs to analyze this issue more closely. Moreover, having "no parking" as an apartment building built in 1930 does not mean that parking is simply ignored and "grandfathered" or granted amnesty when the use is *changed* to commercial transient hotel. When a use is changed, the new use is required to comply with code or obtain a variance for off-site parking, which has not occurred here. Parking is a huge issue in Venice, which negatively impacts coastal resources.

The absence of parking and the influx of out-of-state visitors will diminish coastal access. Out of state visitors will tie up resident day and visitor parking while they explore both coastal and non-coastal attractions. Merchants are the only individuals to benefit from such visitors. Though short-term rentals are frequently lauded because they promote "cultural exchanges," such exchanges do not depend on coastal venues.

The city turned a blind eye and failed to enforce the violations and conversion of apartments to transient use at 2 Breeze and, now that more than a year has passed, they have allowed, in their LAHD Mello Act Determination letter in your file, the applicant to simply inform them that there is only "one" residential unit to be kept under the Mello Act. The letter from LAHD dated September 14, 2012, states, "Based on the rental information provided by the owner", that only one affordable residential unit exists at the site, and occupants of other units failed to respond to the inquiry for financial information. This is clearly a fiction, since the other 30 illegally converted units cannot claim to be "grandfathered" as *transient uses* now, due to mere inaction by the city. In legal parlance, the entire 31 units are still residential apartments and the city's grant of Mello Act clearance is based on the fiction that only one unit is an apartment. Your staff should examine how many units qualified under the Mello Act *before* they were used as transient hotel rooms without lawful conversion and approval, first by the City of Los Angles and now by this Commission.

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of

the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastal-dependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request. Furthermore, please note that on page 6 of his Application in "Background", the ZA recites: "The apartment building was illegally converted to a 31-guest room hotel by the prior owner"

If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

Although operating the property as an apartment building may not be the most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building. If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with a change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

I write to you on behalf of Keep Neighborhoods First and the campaign supporters listed on our website. I also write to you as a private resident of Venice that cares about seeing justice done in his community. I ask that my concerns be considered in your determination process and included in your recommendations to the Coastal Commission. It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied.

James Adams

Director of Communications Keep Neighborhoods First www.keepneighborhoodsfirst.com 310.488.3624 ~~~~~~~

From:	Phyllis Murphy	
To:	Rehm, Zach@Coastal	
Cc:	Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org; anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org	
Subject:	Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP	
Date:	Monday, July 13, 2015 4:05:49 PM	

Mr. Rehm:

I write as a 25+-year resident of Venice to express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. However, this is not possible given that 31 apartments, a residential use, are being removed from the residential market to be converted to transient occupancy use, which is a commercial use. This application is for the direct removal of 31 residential dwelling units. Also, it is my understanding that there is no existing off-street parking for the subject property, and that no new parking has been proposed as a part of the application for change of use. While the applicant claims that the room rates should be considered affordable because other hotels charge for parking while his parking is "free", in truth free means they have to park on the street or find their own paid parking elsewhere. Hence, the staff needs to analyze this issue more closely. Moreover, having "no parking" as an apartment building built in 1930 does not mean that parking is simply ignored and grandfathered when the use is *changed* to commercial transient hotel. When a use is changed, the new use is required to comply with code or obtain a variance for off-site parking, which has not occurred here. Parking is a huge issue in Venice impacting casual resources.

In Mr. Lambert's application he alleges that there have been no complaints related to his current use of the property. However, on January 28, 2013, Masako Shisiko, a neighboring business owner, emailed his concerns with regard to the lack of parking at the property. He expressed concern that the 31 hotel rooms lacked any parking, that guests did not have a place to load and unload their luggage and were doing so on Speedway (a vehicle corridor, not a loading area), that the project would affect neighboring businesses, and that a traffic study should be conducted.

It is important to note that the building at 2 Breeze, known as the Venice Breeze Suites, has operated *and continues* to operate illegally as a shortterm rental commercial building when its existing legal use is as an apartment building. The property owner, Venice Breeze Suites, LLC, incurred a citation for the illegal change of use of the property. Instead of complying with the Code, it has decided to remedy these infractions by applying for a change of use. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, hence it is misleading to claim that the current hotel use remains a "residential" use. It is a tourist, transient-occupancy use, not a residential (primary living unit) use. The city merely turned a blind eye and failed to enforce the violations and conversion of apartments to transient use, and now that more than a year has passed, they have allowed, in their LAHD Mello Act Determination letter in your file, the applicant to simply inform them that there is only "one" residential unit to be kept under the Mello Act. The letter from LAHD dated September 14, 2012, states, "Based on the rental information provided by the owner", that only one affordable residential unit exists at the site, and occupants of other units failed to respond to the inquiry for financial information. This is clearly a fiction, since the other 30 illegally converted units cannot claim to be "grandfathered" as *transient uses* now, due to mere inaction by the city. In legal parlance, the entire 31 units are still residential apartments and the city's grant of Mello Act clearance is based on the fiction that only one unit is an apartment. Your staff should examine how many units qualified under the Mello Act before they were used as transient hotel rooms without lawful conversion and approval by this Commission.

If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastal-dependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request. Further more, please note that at page 6, of his Application in "Background", the ZA recites: "The apartment building was illegally converted to a 31-guest room hotel by the prior owner".

Although operating the property as an apartment building may not be the

most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building. If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007,, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with a change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

I write this letter as an extremely concerned neighbor and Venice resident and ask that it be considered in your determination process and included in your recommendations to the Coastal Commission. It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied.

The impact that this decision will have could very well devastate the very neighborhoods tourists come here to explore and enjoy.

Sincerely,

Phyllis Murphy

From:	Windy Buhler
To:	Rehm, Zach@Coastal
Cc:	Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; Tricia Keane; Chris Robertson; lincoln.lee@lacity.org; Anna Ortega; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org
Subject:	Re: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31 unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841
Date:	Monday, July 13, 2015 3:47:40 PM

Dear Mr. Rehm, et al:

I'm writing to express my deep concern about Mr. Lambert's application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied. As you're aware, we're in the midst of the worst housing crisis in the history of Los Angeles, especially in Venice and the coastal areas. It has come to my attention that Lambert requested a change of use for "2 Breeze" aka "Venice Beach Suites" from its legal status as a residential apartment building (long-term tenants) to a permanent short-term "transient" rental property, as in a "commercial" hotel-like property, and I ask you on behalf of the vanishing neighborhood and community, to just say "no" and to properly enforce the laws that are already on the books.

Apparently, "2 Breeze" has operated and continues to operate illegally as a short-term rental commercial building, when its existing legal use is as an apartment building. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions. Hence, it is misleading to claim the current hotel use remains a "residential" use, when it is a tourist, transient-occupancy use, not a residential (primary living unit) use, and I ask your staff to carefully examine and make an unbiased determination of how many units qualified under the Mello Act *before* they were used as transient hotel rooms without lawful conversion and approval by this Commission.

If approved, this application would set a very bad precedent and allow others to continue their illegal short-term rental activity, which has diminished the housing market and quality of life for people who live and work in the area, and has created a negative impact with over occupancy, health, safety and security issues, excessive noise and constant nuisance from increased density. Instead of operating lawfully, this change in use will allow Lambert and others in the short-term "hotel" rental business to avoid the requirements of the Mello Act, and to unfairly gain economically at the expense of tenants, neighbors, legal hotels and motels in the Venice area, and will result in an even more drastic, cumulative and adverse impact to the Venice Coastal Zone residential and residential rental markets.

As a concerned neighbor and long-time Venice resident, please take my concerns into strong consideration in your determination process and include the concerns of all who have spoke against the short-term rental crisis in your recommendations to the Coastal Commission. Based on the facts, it should be clear, that this application for a CDP, Zone Variance, and Mello Act Determination, and the related CEQA case, must be denied. Please save our community and protect tenants from this abuse.

Thank you for your attention in this matter.

Sincerely,

Windy Buhler

From:	<u>Olmodalco@aol.com</u>
To:	Rehm, Zach@Coastal
Cc:	Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner, Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org; anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org
Subject:	re: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E.
Date:	Monday, July 13, 2015 3:14:18 PM

July 13, 2015

RE: Carl Lambert/Venice Breeze Suites: application for Change in Use from 31-unit apartment into a HOTEL!!!

Dear Mr. Rehm,

I am a furious Venitian! One of an outraged multitude. And we residents of Venice want to know: how much longer must we be subjected to the demeaning and continuous mayhem caused in our neighborhoods by the unbridled avarice of investors like Carl Lambert?

I have direct experience with this malevolent trend of landlords evicting tenants from their rent-controlled apartments, then converting the property into an illegal, de-facto hotel – in a strictly residential zone -- to make matters worse. I'm a pensioner, living on a limited income: it took me nine months to get into a new apartment and, of course, my rent went up.

But you already know the unsavory facts related to these insidious and metastasizing problems in Venice and elsewhere: the question is, will you be part of the solution? Or will you serve as water boy to the wealthy? Will you serve the residents in our community? Or service those who turn a profit by dishonestly turning affordable housing into illegitimate hotels and neighborhoods into hovels?

In a masterful stroke of low cunning, Mr. Lambert has made all sorts of fanciful claims in his application to the CCC requesting a Zoning Variance for a Change of Use regarding the Venice Breeze Suites at 2 East Breeze Avenue, Venice, CA 90291. I won't get into all the details of how and why his application is based on spurious claims – you've been presented with them plenty of times by plenty of concerned

residents.

But it's worth stating that a myriad of assertions in the application are untrue or misleading, at best: from claims that what is already an illegal use of the property – essentially as a hotel – should be re-zoned because it is unsuitable as a residential property; and far-fetched claims of available parking; claims that the "hotel" is currently being used for residential purposes, etc.

If the CCC abdicates their responsibility to the community of Venice and allows Carl Lambert his so-called "Change in Use," it will set an abominable precedent which will sound a death knell for affordable housing in Venice and her surrounding communities.

Lambert's cynical request to the CCC for a Zoning Variance for Change of Use *is in fact* an extrajudicial Chance for Abuse. The inch you give him will serve as an unprecedentedly egregious GREEN LIGHT for corporate real estate to deploy further destruction – by the mile -- to the beautiful residents and neighborhoods of Venice.

As a longtime and concerned resident of Venice, I ask that my letter be added to the recommendations to the Coastal Commission for their determination process. And that the CCC VOTE TO DENY Carl Lambert's request for a CDP, Zone Variance, and Mello Act Determination.

Thank you,

Paul S. Barber 533 ¹⁄₂ Washington Blvd. Venice, CA 90291

Dear Mr. Rehm

As a long term resident living on Dudley ave. A quiet walk street right near Breeze ave. I feel giving Mr. Lambert Permission to change his apartment building to short term rental is adding to the Gentrification of Venice. People like me are being pushed out of their neighborhoods. This is a SOCIAL INJUSTICE and we don't have anyone looking out for the little guy. The person who lived in Venice when no one else would. Please help us keep our neighborhood. Set a precedent right NOW you guys have the power to protect us. I am free to talk at any time about this issue. I am afraid for my own living situation. I know the my building is already doing airbnb and they would love to kick me out. Let my voice be heard!

Sincerely Tracy Aldridge 41 dudley ave apt1 Venice, ca 90291

On Sunday, July 12, 2015 8:48 PM, James Adams <jadams828@gmail.com> wrote:

Hello again,

One very important thing I forgot to mention: **the CCC must receive your letter by Monday, July 13th.** That's tomorrow...or today, depending on when you read this. Thank you in advance for the quick turnaround!

- James

On Sun, Jul 12, 2015 at 8:29 PM, James Adams <<u>jadams828@gmail.com</u>> wrote: Dear Venice neighbors and protectors,

Carl Lambert has already removed 106 rent controlled apartments from the scarce Venice housing market with his unethical and largely illegal de facto hotels. Now he has applied to legalize his activities with the California Coastal Commission (CCC). We intend to stop him, if we can.

We need to make sure the CCC knows the truth about Lambert and his property at 2 Breeze, which he has applied to convert into permanent short-term rentals.

If you'd like to join forces with us, all you need to do is send the letter below to the emails provided. I strongly encourage you to personalize the letter by beginning the letter with your own story, thoughts, and feelings about Lambert's activities, and

deleting whichever preexisting paragraphs you see fit.

If you have any questions whatsoever, please feel free to contact me by email or phone. I will be sending my own very pointed letter this evening. Thank you for all that you do.

Sincerely, James Adams

Director of Communications
Keep Neighborhoods First
www.keepneighborhoodsfirst.com
310.488.3624

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THE LETTER:

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Date: July12, 2015

To: Zach Rehm, Coastal Program Analyst, California Coastal Commission

cc:Dr. Charles Lester, Executive Director, California Coastal Commission Jack Ainsworth, Senior Deputy Director, California Coastal Commission Steve Hudson, Deputy Director, California Coastal Commission Teresa Henry, District Manager, South Coast District Office, California Coastal Commission:

Chuck Posner, California Coastal Commission: Al Padilla, Regulatory Permit Supervisor, California Coastal Commission Tricia Keane, Planning Director, CD 11 Chris Robertson, Senior Planner, CD 11 Lincoln Lee, Chief, Code Enforcement Bureau, LADBS Anna Ortega, Director Rent Stabilization Division HCIDLA Kevin Keller, Director, Planning and Housing Policy Ashley Atkinson, Planning and Housing Specialist Deputy Mayor, Economic Development

**Re**: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31 unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

Mr. Rehm:

I write as a resident of Venice to express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

I am concerned that the Cadillac Hotel is erroneously being used as a precedent in the application for change of use for the property located at 2 E. Breeze Avenue from a 31-unit rent-stabilized apartment building to a hotel. The only precedent is that the hotel was given a variance for the loading dock and continued hotel operation after the zone was changed, but it was always a hotel, not apartments.

The Cadillac Hotel has, since its establishment in 1927, been a hotel. The oldest available Certificate of Occupancy issued on September 23, 1966 states that the building is used as a "Four-story Type III-A, 47'6" x 123'6" Hotel, having 1-Dwelling Unit, 42 Guest Rooms and Three Two-Room Suites". This is further evidenced by the fact that none of the units at the Cadillac Hotel (other than the dwelling unit) were constructed with or have ever contained kitchens. Although a variance was issued in 1993 to allow for the continued use of the property after a zoning change was made in the area, the Cadillac Hotel has always been a legally operating hotel.

Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. However, this is not possible given that 31 apartments, a residential use, are being removed from the residential market to be converted to transient occupancy use, which is a commercial use. This application is for the direct removal of 31 residential dwelling units. Also, it is my understanding that there is no existing off-street parking for the subject property, and that no new parking has been proposed as a part of the application for change of use. While the applicant claims that the room rates should be considered affordable because other hotels charge for parking while his parking is "free", in truth free means they have to park on the street or find their own paid parking elsewhere. Hence, the staff needs to analyze this issue more closely. Moreover, having "no parking" as an apartment building built in 1930 does not mean that parking is simply ignored and grandfathered when the use is *changed* to commercial transient hotel. When a use is changed, the new use is required to comply with code or obtain a variance for off-site parking, which has not occurred here. Parking is a huge issue in Venice impacting casual resources.

In Mr. Lambert's application he alleges that there have been no complaints related to his current use of the property. However, on January 28, 2013, Masako Shisiko, a neighboring business owner, emailed his concerns with regard to the lack of parking at the property. He expressed concern that the 31 hotel rooms lacked any parking, that guests did not have a place to load and unload their luggage and were doing so on Speedway (a vehicle corridor, not a loading area), that the project would affect neighboring businesses, and that a traffic study should be conducted.

It is important to note that the building at 2 Breeze, known as the Venice Breeze Suites, has operated *and continues* to operate illegally as a short-term rental commercial building when its existing legal use is as an apartment building. The property owner, Venice Breeze Suites, LLC, incurred a citation for the illegal change of use of the property. Instead of complying with the Code, it has decided to remedy these infractions by applying for a change of use. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, hence it is misleading to claim that the current hotel use remains a "residential" use. It is a tourist, transient-occupancy use, not a residential (primary living unit) use. The city merely turned a blind eye and failed to enforce the violations and conversion of apartments to transient use, and now that more than a year has passed, they have allowed, in their LAHD Mello Act Determination letter in your file, the applicant to simply inform them that there is only "one" residential unit to be kept under the Mello Act. The letter from LAHD dated September 14, 2012, states, "Based on the rental information provided by the owner", that only one affordable residential unit exists at the site, and occupants of other units failed to respond to the inquiry for financial information. This is clearly a fiction, since the other 30 illegally converted units cannot claim

to be "grandfathered" as *transient uses* now, due to mere inaction by the city. In legal parlance, the entire 31 units are still residential apartments and the city's grant of Mello Act clearance is based on the fiction that only one unit is an apartment. Your staff should examine how many units qualified under the Mello Act *before* they were used as transient hotel rooms without lawful conversion and approval by this Commission.

If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastal-dependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request.

Although operating the property as an apartment building may not be the most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building. If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007,, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with an change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

I write this letter as a concerned neighbor and Venice resident and ask that it be considered in your determination process and included in your recommendations to the Coastal Commission. It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied.

# THE EMAIL RECIPIENTS:

### To: <u>zach.rehm@coastal.ca.gov</u>

**cc:** <u>charles.lester@coastal.ca.gov</u>, <u>john.ainsworth@coastal.ca.gov</u>, <u>Steve.Hudson@coastal.ca.gov</u>, <u>teresa.henry@coastal.ca.gov</u>, <u>chuck.posner@coastal.ca.gov</u>, <u>al.padilla@coastal.ca.gov</u>, <u>tricia.keane@lacity.org</u>, <u>chris.robertson@lacity.org</u>, <u>lincoln.lee@lacity.org</u>, <u>anna.ortega@lacity.org</u>, <u>kevin.keller@lacity.org</u>, <u>ashley.atkinson@lacity.org</u>, <u>kelli.bernard@lacity.org</u>

bcc: info@keepneighborhoodsfirst.com

### THE SUBJECT LINE:

Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to

transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

--James Adams

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Director of Communications Keep Neighborhoods First www.keepneighborhoodsfirst.com 310.488.3624

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| From:    | William Ballough                                                                                                                                                                                                                                                                                                                     |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To:      | Rehm, Zach@Coastal                                                                                                                                                                                                                                                                                                                   |
| Cc:      | Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner,<br>Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org;<br>anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org |
| Subject: | Lambert 2 E. Breeze Ave., Venice                                                                                                                                                                                                                                                                                                     |
| Date:    | Monday, July 13, 2015 2:05:44 PM                                                                                                                                                                                                                                                                                                     |

To: Zach Rehm, Coastal Program Analyst, California Coastal Commission

cc:Dr. Charles Lester, Executive Director, California Coastal Commission Jack Ainsworth, Senior Deputy Director, California Coastal Commission Steve Hudson, Deputy Director, California Coastal Commission Teresa Henry, District Manager, South Coast District Office, California Coastal Commission: Chuck Posner, California Coastal Commission: Al Padilla, Regulatory Permit Supervisor, California Coastal Commission Tricia Keane, Planning Director, CD 11 Chris Robertson, Senior Planner, CD 11 Lincoln Lee, Chief, Code Enforcement Bureau, LADBS Anna Ortega, Director Rent Stabilization Division HCIDLA Kevin Keller, Director, Planning and Housing Policy Ashley Atkinson, Planning and Housing Specialist Deputy Mayor, Economic Development

**Re**: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31 unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL)) Dear Mr. Rehm:

Hotels have been previously touted as promoting coastal access. The same claim is now being made with respect to short term rentals, and old hotels, both of which have grossly inadequate parking and deny access to day visitors. Most guests who stay in coastal short term rentals and old coastal hotels, are out of state residents who drive here from other states. Old Los Angeles hotels and short term rentals are not vacation resorts. Staying on or near the Coast is only a part of the guest's vacations and they need their vehicles to visit non-coastal Los Angeles attractions.

The Coastal Act was not intended to give out of state residents priority over resident day visitor access to the coast. Out of state visitors, and their frequent local guests, co-opt day visitor parking. The city parking rules are far too lenient to guarantee that hotel and short term guests do not diminish or impede day visitor coastal access. The City rules dealing with guest parking requirements do not take into consideration the frequency of visits by local residents to hotel and short term accommodations in the Coastal zone which co-opt additional spaces. The hotel or short term rental which does not generate additional guests, is rare.

It is not unusual for guests to arrive in several cars, and have visitors who co-opt additional on-street parking. These visitors are there primarily to socialize. The Coastal Act does not value in house socialization over the passive coastal activities enjoyed by day visitors. There is also a parking problem with respect to local hotel and short term rental guests. Many such accommodations are rented to local groups of people for occasions such as weddings, class reunions, graduations and other vehicle intensive affairs.

| From:    | Carlos Camara                                                                                                                                                                                                                                                                                            |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To:      | Rehm, Zach@Coastal                                                                                                                                                                                                                                                                                       |
| Cc:      | <u>Ainsworth, John@Coastal; lincoln.lee@lacity.org; Posner, Chuck@Coastal; Padilla, Al@Coastal;</u><br><u>tricia.keane@lacity.org; chris.robertson@lacity.org; anna.ortega@lacity.org; kevin.keller@lacity.org;</u><br><u>ashley.atkinson@lacity.org; Lester, Charles@Coastal; Henry, Teresa@Coastal</u> |
| Subject: | Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP                                             |
| Date:    | Monday, July 13, 2015 2:01:24 PM                                                                                                                                                                                                                                                                         |

Dear Mr. Rehm:

I write as a long time resident of Venice to express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

I have been living at the Waldorf apartments in Venice Beach for the past 12 years. During this time I have been a part of the diverse **Creative** community that forms our neighborhood. This is our most valuable asset in my opinion and the reason why people wish to visit and live in Venice Beach. During my time in Venice I have started a technology company that now employs more than 40 people and I'm very proud to be an active member of our growing economy. I am also a member of a creative collective based in the neighborhood.

About two years ago, Lambert Management took over the responsibilities of managing the Waldorf apartments. Since then, more than half of the 32 long term rental units disclosed in the latest certificate of occupancy have been converted to short term rental units. To the best of my knowledge, several long term tenants have been paid off to vacate their apartments and at least one has been evicted. The motivation behind these actions is purely to maximize profits for the management company. They do not take into account the Venice community in any meaningful way. In fact, these actions represent a significant force which has been eroding the very community that gives the property its value. The economics are simple; anyone is willing to pay 5 to 10 times more per night on vacation than for long term living. The profits however, are leaving our community. In particular, if I wanted to share my apartment on AirBnB, I would be evicted so that my vacated apartment be offered as a short term rental by the management company. It is my belief that the responsibility of our community is to serve those who are a part of it, not those who exploit it.

Please consider this in your determination process and include it in your recommendations to the Coastal Commission. If Carl Lambert is granted the above application, he will have precedence to convert the Waldorf apartments and further erode our community. Furthermore, it will give impetus to other commercial operations wishing to convert the already short supply of long term rental units to de facto hotel rooms. It is self evident to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied to conserve the Venice community.

Sincerely, Carlos Camara 310-592-4861

| From:    | Elaine Spierer                                                                                                                                                                                                                                                                                      |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To:      | Rehm, Zach@Coastal                                                                                                                                                                                                                                                                                  |
| Cc:      | Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner,<br>Chuck@Coastal; Padilla, Al@Coastal; Tricia Keane; Chris Robertson; Lincoln Lee; anna.ortega@lacity.org;<br>kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org |
| Subject: | 2 E Breeze, Venice-Carl Lambert Application for Venice Breeze Suites Change of Use                                                                                                                                                                                                                  |
| Date:    | Monday, July 13, 2015 1:38:41 PM                                                                                                                                                                                                                                                                    |

Dear Commissioners,

You have Carl Lambert's application before you asking you to consider allowing him to change the legal use of what is, in fact, a 31 unit Apartment Building. This building has been cited for its illegal use as a short-term rental. Unfortunately, as is often the case in Venice, more frequently then I like to think about, the City has done nothing to enforce their citations. And, this citation effects many and its impact is wide and harmful.

This is a professional's grab to steal housing from what would be as was critically needed apartment stock. It was apartment stock before Mr. Lambert's illegal conversion to transient housing. The 'roque hotels' popping up all over Venice have actually devastated our housing stock. They have hit hard those units which were actually either rent control stabilized or were within reach of the normal mortal who could afford to live and breathe what has become rarefied air.

Mr. Lambert is well-known to be heavily involved in management and ownership of these kinds of properties. Your approval to what would effectively be a hotel in Venice which has no parking, loading area for guests nor meets any of the requirements necessary to get a new permit to establish a hotel in Venice. It is a burden on the neighborhood's existing housing and shops and what little parking it has now.

Please do not reward Mr. Lambert for his illegal operation. It would be a terrible precedent. This kind of approval which he is hoping to get from you will send a loud message to the others who are waiting for your approval so they can legalize what they too are doing now and others planning to do the exact thing. These units fall under the Mello act and any claim otherwise is pure smoke and mirrors. Before, the illegal operation as a short-term-rental destination, it was an apartment building fully under the control of the Mello Act requirements.

Please take a stand for Venice's housing availability and its critical housing stock and reject the entire application for a change-of-use to transient housing. Because of the huge money grab going on now to convert every possible unit to short-term-rentals we have already lost 2000 units.

If this keeps up, there will be room at the inn, but not just about anywhere else.

We need you again, to step in and do what the City has not done. We need you to be the steady hand with a history of righteous judgement again in assuring the Coastal area is available to all of us--not just those who can pay the big bucks to spend a couple of vacation nights here.

Normal housing is being devastated by this new business model in this new socalled 'sharing economy' promulgated by Wall Street and Silicon Valley. It shares nothing with anyone except the monies it rakes in breaking the law-- it generously shares that with its investors.

Respectfully,

Elaine Spierer Venice Resident and Landlord

| From:    | <u>Mike</u>                                                                                                                                                                                                                                                                                                                          |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To:      | Rehm, Zach@Coastal                                                                                                                                                                                                                                                                                                                   |
| Cc:      | Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner,<br>Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org;<br>anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org |
| Subject: | Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP                                                                         |
| Date:    | Monday, July 13, 2015 1:26:42 PM                                                                                                                                                                                                                                                                                                     |

Mr. Rehm:

I write as a resident of Venice to express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

I am concerned that the Cadillac Hotel is erroneously being used as a precedent in the application for change of use for the property located at 2 E. Breeze Avenue from a 31-unit rent-stabilized apartment building to a hotel. The only precedent is that the hotel was given a variance for the loading dock and continued hotel operation after the zone was changed, but it was always a hotel, not apartments.

The Cadillac Hotel has, since its establishment in 1927, been a hotel. The oldest available Certificate of Occupancy issued on September 23, 1966 states that the building is used as a "Four-story Type III-A, 47'6" x 123'6" Hotel, having 1-Dwelling Unit, 42 Guest Rooms and Three Two-Room Suites". This is further evidenced by the fact that none of the units at the Cadillac Hotel (other than the dwelling unit) were constructed with or have ever contained kitchens. Although a variance was issued in 1993 to allow for the continued use of the property after a zoning change was made in the area, the Cadillac Hotel has always been a legally operating hotel.

Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. However, this is not possible given that 31 apartments, a residential use, are being removed from the residential market to be converted to transient occupancy use, which is a commercial use. This application is for the direct removal of 31 residential dwelling units. Also, it is my understanding that there is no existing off-street parking for the subject property, and that no new parking has been proposed as a part of the application for change of use. While the applicant claims that the room rates should be considered affordable because other hotels charge for parking while his parking is "free", in truth free means they have to park on the street or find their own paid parking elsewhere. Hence, the staff needs to analyze this issue more closely. Moreover, having "no parking" as an apartment building built in 1930 does not mean that parking is simply ignored and grandfathered when the use is *changed* to commercial transient hotel. When a use is changed, the new use is required to comply with code or obtain a variance for off-site parking, which has not occurred here. Parking is a huge issue in Venice impacting casual resources.

In Mr. Lambert's application he alleges that there have been no complaints related to his current use of the property. However, on January 28, 2013, Masako Shisiko, a neighboring business owner, emailed his concerns with regard to the lack of parking at the property. He expressed concern that the 31 hotel rooms lacked any parking, that guests did not have a place to load and unload their luggage and were doing so on Speedway (a vehicle corridor, not a loading area), that the project would affect neighboring businesses, and that a traffic study should be conducted.

It is important to note that the building at 2 Breeze, known as the Venice Breeze Suites, has operated *and continues* to operate illegally as a short-term rental commercial building when its existing legal use is as an apartment building. The property owner, Venice Breeze Suites, LLC, incurred a citation for the illegal change of use of the property. Instead of complying with the Code, it has decided to remedy these infractions by applying for a change of use. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, hence it is misleading to claim that the current hotel use remains a "residential" use. It is a tourist, transient-occupancy use, not a residential (primary living unit) use. The city merely turned a blind eye and failed to enforce the violations and conversion of apartments to transient use, and now that more than a year has passed, they have allowed, in their LAHD Mello Act Determination letter in your file, the applicant to simply inform them that there is only "one" residential unit to be kept under the Mello Act. The letter from LAHD dated September 14, 2012, states, "Based on the rental information provided by the owner", that only one affordable residential unit exists at the site, and occupants of other units failed to respond to the inquiry for financial information. This is clearly a fiction, since the other 30 illegally converted units cannot claim to be "grandfathered" as *transient uses* now, due to mere inaction by the city. In legal parlance, the entire 31 units are still residential apartments and the city's grant of Mello Act clearance is based on the fiction that only one unit is an apartment. Your staff should examine how many units qualified under the Mello Act *before* they were used as transient hotel rooms without lawful conversion and approval by this Commission.

If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastaldependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request.

Although operating the property as an apartment building may not be the most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building. If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007,, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with an change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

I write this letter as a concerned neighbor and Venice resident and ask that it be considered in your determination process and included in your recommendations to the Coastal Commission. It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied.

Thank you,

Mike Chamness 232 3rd, #1 Venice, CA 90291

| From:    | <u>ilana marosi</u>                                                                                                                                                                                                                                                                                                                  |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To:      | Rehm, Zach@Coastal                                                                                                                                                                                                                                                                                                                   |
| Cc:      | Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner,<br>Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org;<br>anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org |
| Subject: | APPLICATION FOR 2 BREEZE AVE, VENICE (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))                                                                                                                                                                                                                                        |
| Date:    | Monday, July 13, 2015 1:09:10 PM                                                                                                                                                                                                                                                                                                     |

corrections added. Many thanks, Judy

-----Original Message-----From: ilana marosi <ilanam18@yahoo.com> To: Judy Goldman <jrgposte@aol.com> Sent: Mon, Jul 13, 2015 12:48 pm Subject: proof please asap

Re: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31 unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

Mr. Rehm,

I am very alarmed by the above application and request that you DENY the request for CDP, Zone Variance and e Mello Act Determination, as well as the related CEQA case.

I am a resident of Venice for 15 years now, having moved from 8000 miles around the globe to be a part of this diverse, creative and vibrant residential community. The community and thus the city, and state, have benefitted tremendously from the supply of affordable and rent stabilized residential units to house our wonderful community. The fact that the this operator removed 31 residential units stealthily from the rental market, to unlawfully convert them to a commercial hotel operation, goes against what I believe the spirit Venice is about, and against what I know the spirit of our laws are about. I also understand that Carl Lambert, the operator is responsible for similar shenanigans on several other Venice properties, resulting in a total loss of 106 precious residential units.

The city of Los Angeles struggles daily with a dearth of affordable and low income housing, much of which is suffered by the residents of Venice. Many long term Venetians who make up the fabric of our "jewel in the crown of the California Coast" are being turfed out for the sake of a commercial operator making a quick and hefty buck. It is unconscionable to think that OUR Coastal Commission, who we look to to protect our jewel in the crown, Venice, would usher through such activities. Mr Lambert does not provide affordable housing here at 2 Breeze or at any of his other locations. He has been operating this establishment, and his other RESIDENTIAL as

a COMMERCIAL SHORT-TERM operation which are illegal in the city of LA. His "hotel" provides ZERO parking in the Coastal zone, and ZERO loading and delivery access. Isn't there a certain parking requirement with a change of use, in the Coastal Act?

I find it very alarming and unacceptable that someone, as Mr Lambert has done in this case, can purchase a RESIDENTIAL apartment building, then illegally convert it to TRANSIENT HOTEL use, and get rewarded for his misconduct. A change of use is not warranted in this case because Mr Lambert skirted the Mello Act requirements, in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis". I have seen this happen in the worst possible way over the past several years in Venice, and I fear that permitting this would result in a complete decimation of housing stock, including my own, to be replaced only by a transient tourist commercial ventures. It's a very ugly prospect indeed! I fear that the character of Venice we know and love, and that you are charged with preserving and protecting will soon be extinct.

It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied. Thank you.

Ilana Marosi, Venice Stakeholder

| From:    | Sarah Norman                                                                                                                                                                                                                                                                                                                         |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| То:      | Rehm, Zach@Coastal                                                                                                                                                                                                                                                                                                                   |
| Cc:      | Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner,<br>Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org;<br>anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org |
| Subject: | Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP                                                                         |
| Date:    | Monday, July 13, 2015 9:39:16 AM                                                                                                                                                                                                                                                                                                     |

Date: July 13, 2015

To: Zach Rehm, Coastal Program Analyst, California Coastal Commission

cc: Dr. Charles Lester, Executive Director, California Coastal Commission Jack Ainsworth, Senior Deputy Director, California Coastal Commission Steve Hudson, Deputy Director, California Coastal Commission Teresa Henry, District Manager, South Coast District Office, California Coastal Commission: Chuck Posner, California Coastal Commission: Al Padilla, Regulatory Permit Supervisor, California Coastal Commission Tricia Keane, Planning Director, CD 11 Chris Robertson, Senior Planner, CD 11 Lincoln Lee, Chief, Code Enforcement Bureau, LADBS Anna Ortega, Director Rent Stabilization Division HCIDLA Kevin Keller, Director, Planning and Housing Policy Ashley Atkinson, Planning and Housing Specialist Deputy Mayor, Economic Development

**Re**: Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31 unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP) (CU) (ZV) (MEL))

Mr. Rehm:

I write as a resident of Venice to express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

I am concerned that the Cadillac Hotel is erroneously being used as a precedent in the application for change of use for the property located at 2 E. Breeze Avenue from a 31-unit rent-stabilized apartment building to a hotel. The only precedent is that the hotel was given a variance for the loading dock and continued hotel operation after the zone was changed, but it was always a hotel, not apartments.

The Cadillac Hotel has, since its establishment in 1927, been a hotel. The oldest available Certificate of Occupancy issued on September 23, 1966 states that the building is used as a "Four-story Type III-A, 47'6" x 123'6" Hotel, having 1-Dwelling Unit, 42 Guest Rooms and Three Two-Room Suites". This is further evidenced by the fact that none of the units at the Cadillac Hotel (other than the dwelling unit) were constructed with or have ever contained kitchens. Although a variance was issued in 1993 to allow for the continued use of the property after a zoning change was made in the area, the Cadillac Hotel has always been a legally operating hotel.

Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. However, this is not possible given that 31 apartments, a residential use, are being removed from the residential market to be converted to transient occupancy use, which is a commercial use. This application is for the direct removal of 31 residential dwelling units. Also, it is my understanding that there is no existing off-street parking for the subject property, and that no new parking has been proposed as a part of the application for change of use. While the applicant claims that the room rates should be considered affordable because other hotels charge for parking while his parking is "free", in truth free means they have to park on the street or find their own paid parking elsewhere. Hence, the staff needs to analyze this issue more closely. Moreover, having "no parking" as an apartment building built in 1930 does not mean that parking is simply ignored and grandfathered when the use is *changed* to commercial transient hotel. When a use is changed, the new use is required to comply with code or obtain a variance for off-site parking, which has not occurred here. Parking is a huge issue in Venice impacting casual resources.

In Mr. Lambert's application he alleges that there have been no complaints related to his current use of the property. However, on January 28, 2013, Masako Shisiko, a neighboring business owner, emailed his concerns with regard to the lack of parking at the property. He expressed concern that the 31 hotel rooms lacked any parking, that guests did not have a place to load and unload their luggage and were doing so on Speedway (a vehicle corridor, not a loading area), that the project would affect neighboring businesses, and that a traffic study should be conducted.

It is important to note that the building at 2 Breeze, known as the Venice Breeze Suites, has operated and continues to operate illegally as a short-term rental commercial building when its existing legal use is as an apartment building. The property owner, Venice Breeze Suites, LLC, incurred a citation for the illegal change of use of the property. Instead of complying with the Code, it has decided to remedy these infractions by applying for a change of use. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, hence it is misleading to claim that the current hotel use remains a "residential" use. It is a tourist, transient-occupancy use, not a residential (primary living unit) use. The city merely turned a blind eye and failed to enforce the violations and conversion of apartments to transient use, and now that more than a year has passed, they have allowed, in their LAHD Mello Act Determination letter in your file, the applicant to simply inform them that there is only "one" residential unit to be kept under the Mello Act. The letter from LAHD dated September 14, 2012, states, "Based on the rental information provided by the owner", that only one affordable residential unit exists at the site, and occupants of other units failed to respond to the inquiry for financial information. This is clearly a fiction, since the other 30 illegally converted units cannot claim to be "grandfathered" as transient uses now, due to mere inaction by the city. In legal parlance, the entire 31 units are still residential apartments and the city's grant of Mello Act clearance is based on the fiction that only one unit is an apartment. Your staff should examine how many units qualified under the Mello Act before they were used as transient hotel rooms without lawful conversion and approval by this Commission.

If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastal-dependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request.

Although operating the property as an apartment building may not be the most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building. If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007,, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with an change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

I write this letter as a concerned neighbor and Venice resident and ask that it be considered in your determination process and included in your recommendations to the Coastal Commission. It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied.

Sincerely,

Sarah Norman

| From:    | Heidi                                                                                                                                                                                                                                                                                                                                |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To:      | Rehm, Zach@Coastal                                                                                                                                                                                                                                                                                                                   |
| Cc:      | Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner,<br>Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org;<br>anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org |
| Subject: | Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use                                                                                                                                                                                       |
| Date:    | Monday, July 13, 2015 9:28:41 AM                                                                                                                                                                                                                                                                                                     |

## Mr. Rehm:

I am a resident of Venice writing to express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

I am concerned that the Cadillac Hotel is erroneously being used as a precedent in the application for change of use for the property located at 2 E. Breeze Avenue from a 31-unit rent-stabilized apartment building to a hotel. The only precedent is that the hotel was given a variance for the loading dock and continued hotel operation after the zone was changed, but it was always a hotel, not apartments.

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Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. However, this is not possible given that 31 apartments, a residential use, are being removed from the residential market to be converted to transient occupancy use, which is a commercial use. This application is for the direct removal of 31 residential dwelling units. Also, it is my understanding that there is no existing off-street parking for the subject property, and that no new parking has been proposed as a part of the application for change of use. While the applicant claims that the room rates should be considered affordable because other hotels charge for parking while his parking is "free", in truth free means they have to park on the street or find their own paid parking elsewhere. Hence, the staff needs to analyze this issue more closely. Moreover, having "no parking" as an apartment building built in 1930 does not mean that parking is simply ignored and grandfathered when the use is changed to commercial transient hotel. When a use is changed, the new use is required to comply with code or obtain a variance for off-site parking, which has not occurred here. Parking is a huge issue in Venice impacting casual resources.

In Mr. Lambert's application he alleges that there have been no complaints related to

his current use of the property. However, on January 28, 2013, Masako Shisiko, a neighboring business owner, emailed his concerns with regard to the lack of parking at the property. He expressed concern that the 31 hotel rooms lacked any parking, that guests did not have a place to load and unload their luggage and were doing so on Speedway (a vehicle corridor, not a loading area), that the project would affect neighboring businesses, and that a traffic study should be conducted. I too have been extremely negatively effected by Air BnB occupants in my appt building, that my landlords think they can directly lease to, with these appts as their example. Most recently my car was towed from my parking space to allow a 3 day resident to take it's place.

It is important to note that the building at 2 Breeze, known as the Venice Breeze Suites, has operated and continues to operate illegally as a short-term rental commercial building when its existing legal use is as an apartment building. The property owner, Venice Breeze Suites, LLC, incurred a citation for the illegal change of use of the property. Instead of complying with the Code, it has decided to remedy these infractions by applying for a change of use. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, hence it is misleading to claim that the current hotel use remains a "residential" use. It is a tourist, transient-occupancy use, not a residential (primary living unit) use. The city merely turned a blind eye and failed to enforce the violations and conversion of apartments to transient use, and now that more than a year has passed, they have allowed, in their LAHD Mello Act Determination letter in your file, the applicant to simply inform them that there is only "one" residential unit to be kept under the Mello Act. The letter from LAHD dated September 14, 2012, states, "Based on the rental information provided by the owner", that only one affordable residential unit exists at the site, and occupants of other units failed to respond to the inquiry for financial information. This is clearly a fiction, since the other 30 illegally converted units cannot claim to be "grandfathered" as *transient uses* now, due to mere inaction by the city. In legal parlance, the entire 31 units are still residential apartments and the city's grant of Mello Act clearance is based on the fiction that only one unit is an apartment. Your staff should examine how many units gualified under the Mello Act before they were used as transient hotel rooms without lawful conversion and approval by this Commission.

If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastal-dependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must

conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request.

Although operating the property as an apartment building may not be the most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building. If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007,, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with an change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

I write this letter as a concerned neighbor and Venice resident and ask that it be considered in your determination process and included in your recommendations to the Coastal Commission. It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied.

Heidi and Harley Lawden Dudley Avenue

| From:    | <u>cwilli7269@aol.com</u>                                                                                                                                                                                                                                                                                                            |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To:      | Rehm, Zach@Coastal                                                                                                                                                                                                                                                                                                                   |
| Cc:      | Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner,<br>Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org;<br>anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org |
| Subject: | Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP                                                                         |
| Date:    | Sunday, July 12, 2015 11:35:57 PM                                                                                                                                                                                                                                                                                                    |

### To Mr Zach Rehim

The Cadillac Hotel is a great historical monument in the city of Venice. To know that it no longer will house people who would like to live near the wonderful Venice Boardwalk and to enjoy the great Venice Boardwalk is sade. I write to you as a resident of Venice to express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

I am concerned that the Cadillac Hotel is bougsly being used as a precedent in the application for change of use for the property located at 2 E. Breeze Avenue from a 31-unit rent-stabilized apartment building to a 'hotel' used for Air BNB. The only precedent is that the hotel was given a variance for the loading dock and continued hotel operation after the zone was changed, but it was always a hotel, not apartments.

The Cadillac Hotel has, since its establishment in 1927, been a hotel. The oldest available Certificate of Occupancy issued on September 23, 1966 states that the building is used as a "Four-story Type III-A, 47'6" x 123'6" Hotel, having 1-Dwelling Unit, 42 Guest Rooms and Three Two-Room Suites". This is further evidenced by the fact that none of the units at the Cadillac Hotel (other than the dwelling unit) were constructed with or have ever contained kitchens. Although a variance was issued in 1993 to allow for the continued use of the property after a zoning change was made in the area, the Cadillac Hotel has always been a legally operating hotel.

Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. However, this is not possible given that 31 apartments, a residential use, are being removed from the residential market to be converted to transient occupancy use, which is a commercial use. This application is for the direct removal of 31 residential dwelling units. Also, it is my understanding that there is no existing off-street parking for the subject property, and that no new parking has been proposed as a part of the application for change of use. While the applicant claims that the room rates should be considered affordable because other hotels charge for parking while his parking is "free", in truth free means they have to park on the street or find their own paid parking elsewhere. Hence, the staff needs to analyze this issue more closely. Moreover, having "no parking" as an apartment building built in 1930 does not mean that parking is simply ignored and grandfathered when the use is *changed* to commercial transient hotel. When a use is changed, the new use is required to comply with code or obtain a variance for off-site parking, which has not occurred here. Parking is a huge issue in Venice impacting casual resources.

In Mr. Lambert's application he alleges that there have been no complaints related to his current use of the property. However, on January 28, 2013, Masako Shisiko, a neighboring business owner, emailed his concerns with regard to the lack of parking at the property. He expressed concern that the 31 hotel rooms lacked any parking, that guests did not have a place to load and unload their luggage and were doing so on Speedway (a vehicle corridor, not a loading area), that the project would affect neighboring businesses, and that a traffic study should be conducted.

It is important to note that the building at 2 Breeze, known as the Venice Breeze Suites, has operated *and continues* to operate illegally as a short-term rental commercial building when its existing legal use is as an apartment building. The property owner, Venice Breeze Suites, LLC, incurred

a citation for the illegal change of use of the property. Instead of complying with the Code, it has decided to remedy these infractions by applying for a change of use. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, hence it is misleading to claim that the current hotel use remains a "residential" use. It is a tourist, transient-occupancy use, not a residential (primary living unit) use. The city merely turned a blind eye and failed to enforce the violations and conversion of apartments to transient use, and now that more than a year has passed, they have allowed, in their LAHD Mello Act Determination letter in your file, the applicant to simply inform them that there is only "one" residential unit to be kept under the Mello Act. The letter from LAHD dated September 14, 2012, states, "Based on the rental information provided by the owner", that only one affordable residential unit exists at the site, and occupants of other units failed to respond to the inquiry for financial information. This is clearly a fiction, since the other 30 illegally converted units cannot claim to be "grandfathered" as transient uses now, due to mere inaction by the city. In legal parlance, the entire 31 units are still residential apartments and the city's grant of Mello Act clearance is based on the fiction that only one unit is an apartment. Your staff should examine how many units gualified under the Mello Act before they were used as transient hotel rooms without lawful conversion and approval by this Commission.

If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastal-dependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request.

Although operating the property as an apartment building may not be the most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building. If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007,, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with an change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

I write this letter as a concerned neighbor and Venice resident and ask that it be considered in your determination process and included in your recommendations to the Coastal Commission. It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied.

Laddie Williams310-908-7174cell

| From:    | Stephanie Tatro                                                                                                                                                                                                                                                                                                                      |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To:      | Rehm, Zach@Coastal                                                                                                                                                                                                                                                                                                                   |
| Cc:      | Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner,<br>Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org;<br>anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org |
| Subject: | Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (CDP                                                                         |
| Date:    | Sunday, July 12, 2015 9:22:05 PM                                                                                                                                                                                                                                                                                                     |

Mr. Rehm:

I am writing as an area resident and local social worker express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

I am concerned that the increasing disappearance of rent-stabilized units in Los Angeles are causing the increase in marginally housed, and ultimately the 12% increase in homelessness that we have observed in the last two years. It is important that every opportunity to preserve rent stabilized units is taken and that projects which jeopardize the stabilization of the local rental market and the character of a neighborhood are blocked. Short term rentals have not only contributed to out of control cost of housing in Venice and throughout Los Angeles, but have also resulted in the loss of the neighborhood culture. Especially given Vencie's unique character, it is important to preserve its diversity and integrity of the community.

I am concerned that the Cadillac Hotel is erroneously being used as a precedent in the application for change of use for the property located at 2 E. Breeze Avenue from a 31-unit rent-stabilized apartment building to a hotel. The only precedent is that the hotel was given a variance for the loading dock and continued hotel operation after the zone was changed, but it was always a hotel, not apartments.

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Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. However, this is not possible given that 31 apartments, a residential use, are being removed from the residential market to be converted to transient occupancy use, which is a commercial use. This application is for the direct removal of 31 residential dwelling units. Los Angeles and Venice are in a housing crisis! We cannot afford to lose these 31 units from the rental market!

It is important to note that the building at 2 Breeze, known as the Venice Breeze Suites, has operated *and continues* to operate illegally as a short-term rental commercial building when its existing legal use is as an apartment building. The property owner, Venice Breeze Suites, LLC, incurred a citation for the illegal change of use of the property. Instead of complying with the Code, it has decided to remedy these infractions by applying for a change of use. The Los Angeles ordinance on conversions of Residential Hotels makes a clear distinction between residential use and tourist (transient) use in its definitions, hence it is misleading to claim that the current hotel use remains a "residential" use. It is a tourist, transient-occupancy use, not a residential (primary living unit) use. The city merely turned a blind eye and failed to enforce the violations and conversion of apartments to

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If granted, this change in use would set a dangerous precedent for the numerous other short-term rental properties operating illegally in the area. This would result in a domino effect of reductions in the residential rental unit stock from the Venice area in the midst of what has been deemed an "affordable housing crisis".

Pursuant to the Mello Act, the conversion of residential units to non-residential units hinges on whether the unit is "coastal-dependent", meaning that the function of the property requires a site on or adjacent to the sea. Here, neither the apartment building use nor the transient occupancy use is coastal-dependent, and the application admits this fact. Further, the applicant must prove that the current residential use (as an apartment building) is infeasible. In this case, as per the Mello Act Interim Administrative Procedures, there is a presumption that residential use is feasible because the site contains an existing residential structure. This project must conform to both the Mello Act and Coastal Act requirements, and since the Mello Act does not permit the change of use from residential to commercial, then the Coastal Commission should deny the request.

Although operating the property as an apartment building may not be the most profitable use for the property, the fact remains that it is absolutely feasible to operate the property legally as an apartment building. If Mr. Lambert desires to be a hotel owner, he should be advised to purchase property that was properly operating as a hotel. When Mr. Lambert purchased this property in 2007,, he obviously did so knowing that the property was an apartment building. Instead of operating lawfully, he has continuously operated in an illegal manner, and now wishes to be rewarded for that misconduct with an change in use that would allow him and others to skirt the requirements of the Mello Act in order to unfairly gain economically at the expense of tenants in the Venice area, resulting in a significant cumulative adverse impact to the Venice Coastal Zone residential rental market.

I write this letter as a concerned neighbor and Venice resident and ask that it be considered in your determination process and included in your recommendations to the Coastal Commission. It is clear to me that this application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, must be denied.

Stephanie Tatro, MSW

| From:<br>To:<br>Cc: | Garvey, Richard<br>Rehm, Zach@Coastal<br>Lester, Charles@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Posner,<br>Chuck@Coastal; Padilla, Al@Coastal; tricia.keane@lacity.org; chris.robertson@lacity.org; lincoln.lee@lacity.org;<br>anna.ortega@lacity.org; kevin.keller@lacity.org; ashley.atkinson@lacity.org; kelli.bernard@lacity.org |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subject:<br>Date:   | Deny Application by Carl Lambert of Venice Breeze Suites, LLC, as owner of 2 E. Breeze Ave., Venice, CA 90291 for Zoning Variance for Change in Use from an existing 31-unit apartment building to transient occupancy use (City Planning Case: ZA-2012-2841 (C Sunday, July 12, 2015 8:49:24 PM                                                                              |

#### Mr. Rehm:

I am writing you as a resident of Venice to express my concerns about the above application and to request that the application for a CDP, Zone Variance, and Mello Act Determination, as well as the related CEQA case, be denied.

I have lived in Venice since 1995 and have witnessed the recent tactic of landlords taking apartments off the rental market in favor of using them for short term rentals. As you probably know many communities including Santa Monica have started to enact legislation to stop this trend. I am seeing it all over Venice and it needs to stop.

Mr. Lambert's application contends that an approval of his change of use will not result in any reduction in the number of residential units at the property located at 2 E. Breeze Avenue. However, this is not possible given that 31 apartments, a residential use, are being removed from the residential market to be converted to transient occupancy use, which is a commercial use. This application is for the direct removal of 31 residential dwelling units. Also, it is my understanding that there is no existing off-street parking for the subject property, and that no new parking has been proposed as a part of the application for change of use. While the applicant claims that the room rates should be considered affordable because other hotels charge for parking while his parking is "free", in truth free means they have to park on the street or find their own paid parking elsewhere. Hence, the staff needs to analyze this issue more closely. Moreover, having "no parking" as an apartment building built in 1930 does not mean that parking is simply ignored and grandfathered when the use is changed to commercial transient hotel. When a use is changed, the new use is required to comply with code or obtain a variance for off-site parking, which has not occurred here. Parking is a huge issue in Venice impacting casual resources.

In Mr. Lambert's application he alleges that there have been no complaints related to his current use of the property. However, on January 28, 2013, Masako Shisiko, a neighboring business owner, emailed his concerns with regard to the lack of parking at the property. He expressed concern that the 31 hotel rooms lacked any parking, that guests did not have a place to load and unload their luggage and were doing so on Speedway (a vehicle corridor, not a loading area), that the project would affect neighboring businesses, and that a traffic study should be conducted.

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### Commission.

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Thanks for your consideration,

Rick Garvey Venice, CA

This email message is for the sole use of the intended recipient(s) and may contain confidential information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message.