#### CALIFORNIA COASTAL COMMISSION

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### **F21c**

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 Hearing Date:
 2/12/16

#### STAFF REPORT: REVISED FINDINGS

Application Number: A-5-VEN-15-0027

Applicant: 416 Grand Blvd LLC

**Agents:** Rosario Perry, Melinda Gray, Fred Gaines, Sherman Stacey

**Project Location:** 416 Grand Boulevard (Lot 6, Block 3, Tract 9358), Venice,

City of Los Angeles, Los Angeles County (APN No. 4230-

020-004).

**Project Description:** Construct two-story, 29 foot high, 1,800 square foot single-

family home.

**Commissioners on** Mitchell, Turnbull-Sanders, Uranga, Cox, Groom, Howell,

**Prevailing Side:** McClure, Kinsey

**Staff Recommendation:** Adopt the revised findings.

#### SUMMARY OF STAFF RECOMMENDATION COMMISSION ACTION

Staff is recommending that the Commission adopt the following revised findings in support of the Commission's action on August 12, 2015 to deny Coastal Development Permit Application No. A-5-VEN-15-0027.

At a public hearing on June 11, 2015, the Commission found that the appeal of local Coastal Development Permit No. ZA-2014-1356-CDP-1A, issued by the City of Los Angeles, raised a substantial issue with respect to the proposed project's consistency with Chapter 3 of the Coastal Act. The Commission is now required to hold a de novo hearing on the merits of the project.

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As originally proposed, the structure had no living area on the ground floor and appeared to be designed to function as an accessory to a proposed home at 418-422 Grand Boulevard. In consultation with Commission staff, the applicant has revised the proposed plans to enclose the lower floor of the home to provide livable space, increasing the size to approximately 1,800 square feet. The applicant has also proposed a three-foot high fence and drought tolerant non-invasive landscaping in the front yard to provide a more pedestrian-friendly scale.

In its action at the de novo hearing on August 12, 2015, the Commission determined that, even as modified, the proposed structure was not consistent with the visual resources and minimization of adverse impacts policies of the Coastal Act. In particular, the proposed home, especially when considered in combination with the related development proposed at 418-422 Grand Boulevard, was inconsistent with the scale, mass, and character of the surrounding residential neighborhood. Additionally, the Commission found that approval of the application would have an adverse cumulative effect on the special coastal community of Venice and would prejudice the ability of the City of Los Angeles to prepare a certified local coastal program for Venice.

Staff recommends approval of Coastal Development Permit Application No. A-5-VEN-15-0027 with special conditions requiring the applicant to implement construction best management practices, provide drought tolerant non-invasive landscaping and rain cisterns, minimize fence height, and undertake development in accordance with the approved final plans.

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#### **APPENDICES**

Appendix A – Substantive File Documents

#### **EXHIBITS**

Exhibit 1 – Vicinity Map

Exhibit 2 – Revised Plans (7/11/15)

Exhibit 3 – Project Rendering and Model Exhibit 4 – Photos

#### I. MOTION AND RESOLUTION

#### **Motion:**

I move that the Commission approve Coastal Development Permit Application No. A-5-VEN-15-0027 pursuant to the staff recommendation.

I move that the Commission adopt the revised findings proposed by staff in support of the Commission's action on August 12, 2015 to deny Coastal Development Permit Application No. A-5-VEN-15-0027.

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

Staff recommends a YES vote. Passage of the motion will result in the adoption of revised findings as set forth in this staff report. The motion requires a majority vote of the members from the prevailing side present at the August 12, 2015 hearing, with at least three of the prevailing members voting. Only those Commissioners on the prevailing side of the Commission's action are eligible to vote on the revised findings.

The Commissioners on the prevailing side are: Mitchell, Turnbull-Sanders, Uranga, Cox, Groom, Howell, McClure, and Kinsey.

#### **Resolution:**

The Commission hereby approves a coastal development permit 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 would substantially lessen any significant adverse impacts of the development on the environment.

The Commission hereby adopts the findings set forth below for the denial of Coastal Development Permit Application No. A-5-VEN-15-0027 on the grounds that the findings support the Commission's decision made on August 12, 2015 and accurately reflect the reasons for it.

#### **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 permittee 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 permittee 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. Landscaping and Irrigation. By acceptance of this permit, the permittee agrees that:
  - A. Vegetated landscaped areas shall consist of native plants or non-native drought tolerant plants, which are non-invasive. No plant species listed as problematic and/or invasive by the California Native Plant Society (http://www.CNPS.org/), the California Invasive Plant Council (formerly the California Exotic Pest Plant Council) (http://www.calipc.org/), or as may be identified from time to time by the State of California shall be employed or allowed to naturalize or persist on the site. No plant species listed as a "noxious weed" by the State of California or the U.S. Federal Government shall be utilized within the property. All plants shall be low water use plants as identified by California Department of Water Resources (See: http://www.water.ca.gov/wateruseefficiency/docs/wucols00.pdf).
  - B. The permittee shall maintain the proposed rain cisterns in a functional state over the life of the development. If the rain cisterns cease functioning, the permittee shall replace them.

- C. If using potable water for irrigation, only drip or microspray irrigation systems shall be used. Other water conservation measures shall be considered, such as weather based irrigation controllers.
- 2. Water Quality. By acceptance of this permit, the permittee agrees that the approved development shall be carried out in compliance with the following BMPs:
  - A. No construction materials, debris, or waste shall be placed or stored where it may be subject to water, wind, rain, or dispersion;
  - B. Any and all debris resulting from construction activities shall be removed from the project site within 24 hours of completion of the project;
  - C. Construction debris and sediment shall be removed from construction areas each day that construction occurs to prevent the accumulation of sediment and other debris which may be discharged into coastal waters;
  - D. Erosion control/sedimentation Best Management Practices shall be used to control dust and sedimentation impacts to coastal waters during construction. BMPs shall include, but are not limited to: placement of sand bags around drainage inlets to prevent runoff/sediment transport into coastal waters;
  - E. All construction materials, excluding lumber, shall be covered and enclosed on all sides, and as far away from a storm drain inlet and receiving waters as possible;
  - F. The permittee shall ensure the proper handling, storage, and application of petroleum products and other construction materials. These shall include a designated fueling and vehicle maintenance area with appropriate berms and protection to prevent any spillage of gasoline or related petroleum products or contact with runoff. It shall be located as far away from the receiving waters and storm drain inlets as possible;
  - G. The permittee shall develop and implement spill prevention and control measures;
  - H. The permittee shall maintain and wash equipment and machinery in confined areas specifically designed to control runoff. Thinners or solvents shall not be discharged into sanitary or storm sewer systems. Washout from concrete trucks shall be disposed of at a location not subject to runoff and more than 50-feet away from a stormdrain, open ditch or surface water; and
  - I. The permittee shall provide adequate disposal facilities for solid waste, including excess concrete, produced during construction.
- 3. Fences. The front fence in the 15 foot front-yard setback area shall be constructed no higher than three-feet above grade as measured from the public sidewalk adjacent to Grand Boulevard. The side and rear yard fences shall be constructed no higher than six-feet at any point as measured from natural grade. The side yard fence at the east side of the property (between the subject site and the adjacent property at 418-422 Grand Boulevard) shall be maintained in a functional state throughout the life of the development.

4. **Permit Compliance.** The permittee shall undertake development in accordance with the approved final plans, specifically including the site plan, landscaping plan, and drainage plan. Any proposed changes to the approved final plans shall be reported to the Executive Director. No changes to the approved final plans shall occur without a Commission-approved amendment to Coastal Development Permit No. A-5-VEN-15-0027 unless the Executive Director determines that no amendment is legally required.

#### **IV** II. 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. 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.

The proposed project site is within the *Single Permit Jurisdiction* area. On March 4, 2015, the City of Los Angeles approved local Coastal Development Permit No. ZA-2014-1356-CDP-1A, but that action was appealed to the Coastal Commission. On June 11, 2015, the Commission found that the appeal raised a substantial issue with respect to the proposed project's consistency with Chapter 3 of the Coastal Act. On August 12, 2015, the Commission held a de novo hearing on the merits of the project and denied Coastal Development Permit Application No. A-5-VEN-15-0027. The Commission is now required to hold a de novo hearing on the merits of the project. Chapter 3 of the Coastal Act is the standard of review.

#### ¥ III. REVISED FINDINGS AND DECLARATIONS

**Staff Note:** The following revised findings include all of the changes made by the Commission in its action to deny the proposed development on August 12, 2015. The portions of those findings that are being deleted are struck through and additions to the findings are **bolded and underlined**.

#### A. Project Description

416 Grand Blvd LLC proposes to construct a two-story, 29-foot high, 1,800 square foot single-family home with attached 367 square foot two-car garage at 416 Grand Boulevard in Venice (Exhibit 1). The applicant has submitted revised plans (Exhibit 2) which enclose the lower floor of the home to provide livable space, increasing the size by approximately 700 square feet (Exhibit 3). The revised plans also call out enlarged windows and design articulations on the front façade of the house. The revised plans propose drought tolerant non-invasive landscaping, gutters and downspouts, and rain catchment cisterns in the side yards. Finally, the revised plans call out a three-foot high fence set back one foot from the sidewalk at Grand Boulevard and six to seven-foot high side and rear yard fences.

The project is proposed on a graded lot in the middle of a residentially zoned block (RD1.5-1-O) in the North Venice subarea within the City of Los Angeles Single Permit Jurisdiction area. The proposed project fronts Grand Boulevard, a wide street paved on top of the original Grand Canal

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of Venice, developed by Abbot Kinney in the early 1900s. The site is approximately 1,000 feet inland of Venice Beach and Ocean Front Walk (Exhibit 1). Grand Boulevard and the surrounding residential blocks feature <u>predominately</u> single-family residences and duplexes of varying architectural styles. ranging from one story to <u>The homes on the subject block and in the surrounding neighborhood are mostly one and two-stories, with many wood bungalows; there are only a few three-story plus-roofdeck modern glass structures (Exhibit 4).</u>

The subject lot is approximately 25-feet wide by 90-feet deep. A separate De Novo Coastal Development Permit (CDP) application is pending with the Coastal Commission for development of a three-story, 35-foot high, 3,913 square foot single-family home, two-car garage, and swimming pool, and consolidation of two lots at 418-422 Grand Boulevard. Separate applications are pending with the Los Angeles Department of City Planning for a two-story 1,462 square foot home plus 420 square foot two-car garage and a three-story 4,848 square foot home plus roofdeck and 397 square foot two-car garage on three adjoining lots to the east (424-428 Grand Boulevard), one of which lots are currently graded and the latter two of which are currently developed with a 1940s era duplex.

#### **B. PROJECT HISTORY**

The subject development is proposed on a single lot at 416 Grand Boulevard, previously developed with a portion of a duplex constructed in 1947, which spanned 416-418 Grand Blvd (Lots 6 and 7, Block 3, Tract 9358). The applicant purchased 416-418 Grand Boulevard on July 30, 2012. On June 27, 2013, after reviewing information submitted by the applicant, the City of Los Angeles Housing and Community Investment Department determined that both units within the pre-existing duplex qualified as affordable under the City's Interim Administrative Procedures for Complying with the Mello Act.

On September 17, 2013, the Los Angeles Director of Planning issued a Venice Sign Off and a Mello Clearance for the demolition the duplex (DIR-2013-2903-VSO-MEL). The City's Mello Act Coordinator determined that it was infeasible to provide replacement affordable housing units on-site or off-site. The feasibility study was accompanied by a one page Mello Act Compliance Review Worksheet which defines *feasible*: "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technical factors."

On October 22, 2013, the same applicant submitted Coastal Development Permit Application No. 5-13-0949 to the Commission proposing to demolish two pre-existing duplexes spanning four residential lots and construct a three-story, 30-foot high, 6,166 three story single-family home. The proposed development would have consolidated three lots. In a letter dated November 19, 2013, Commission staff notified the applicant's representative that the proposed development was inconsistent with the standards of the Coastal Act and the certified Venice Land Use Plan and encouraged the applicant to modify the project and apply for a local coastal development permit from the City of Los Angeles.

The applicant elected to move forward with the demolition of the duplex at 416-418 Grand Boulevard. On January 24, 2014, after the applicant obtained a new local approval for the demolition of the duplex (and the adjacent duplex at 422-424 Grand Boulevard), the Executive Director of the Coastal Commission approved the demolition of both duplexes under waiver of coastal development permit requirements No. 5-13-0949-W. The De Minimis Waiver noted: "the

applicant's stated intent is to develop the properties with residences once the necessary approvals are obtained."

On December 16, 2014, the City of Los Angeles Director of Planning issued DIR-2014-4707-VSO, approving a single-family dwelling with two-car garage guest parking space, pool, and spa on Lots 7 and 8. On December 26, 2014, a City of Los Angeles Zoning Administrator approved 2014-1356-CDP for development of a two-story, 30-foot high, 1,064 square foot single-family home with an attached 361 square foot two-car garage on the same site. The Zoning Administrator's action was appealed to the City of Los Angeles Planning Commission. On March 4, 2015, the Planning Commission upheld the Zoning Administrator's decision and approved with conditions local Coastal Development Permit No. ZA-2014-1356-CDP-1A.

On April 17, 2015, the Executive Director of the Coastal Commission and Robin Rudisill et al submitted appeals of the City's action. At a public hearing on June 11, 2015, the Commission found that a substantial issue exists with respect to the proposed project's consistency with the Chapter 3 policies of the Coastal Act. On August 12, 2015, the Commission held a de novo hearing on the merits of the project and denied Coastal Development Permit Application No. A-5-VEN-15-0027. The Commission's action voided the local coastal development permit and the Commission is now required to hold a de novo hearing on the merits of the project.

#### C. DEVELOPMENT

The Venice community – including the beach, the boardwalk, the canals, and the eclectic architectural styles of the neighborhoods (Exhibit 4) – 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." The North Venice subarea includes Abbot Kinney Boulevard and Grand Boulevard, each developed in the early 20<sup>th</sup> century as part of Mr. Kinney's vision for a free and diverse society. 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 people still travel to Venice to see. Section 30251 of the Coastal Act states in part:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall...be visually compatible with the character of surrounding areas...

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.

The entire Venice community is a popular visitor serving destination point for recreational uses specifically because of its unique characteristics. The North Venice subarea and the Venice

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

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boardwalk subsection of that area (approximately 1,000 feet west of the subject site) are the most popular visitor destination points in Venice, and among the most popular in California. Sections 30251 and 30253 of the Coastal Act state that such scenic areas and special communities shall be protected.

When the Commission certified the Venice Land Use Plan (LUP) in 2001, it considered the potential impacts that development could have on community character and adopted residential building standards to ensure development was designed with pedestrian scale and compatibility with surrounding development. Given the specific conditions surrounding the subject site and the eclectic development pattern of Venice, it is appropriate to use the certified LUP policies as guidance in determining whether or not the project is consistent with sections 30251 and 30253 of the Coastal Act.

In this case, the certified Venice Land Use Plan echoes the priority expressed in Coastal Act for preservation of the nature and character of unique residential communities and neighborhoods.

#### Policy I. E. 1, General, 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. E. 2. Scale, states.

New development within the Venice Coastal Zone shall respect the scale and character of the community development. 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.

#### Policy I. E. 3. Architecture, states.

Varied styles of architecture are encouraged with building facades which incorporate varied planes and textures while maintaining the neighborhood scale and massing.

#### Policy I. A. 1 b, Residential Development, states, in part:

In order to preserve the nature and character of existing residential neighborhoods, lot consolidations shall not be permitted in the Venice Canals and Silver Strand Residential Neighborhoods. No more than two lots may be consolidated in...North Venice. Lot consolidations may be permitted only subject to the following limitations:

- i. No building or structure shall be constructed on what were more than two contiguous lots prior to lot consolidation...
- ii. Building facades shall be varied and articulated to provide a pedestrian scale which results in consistency with neighboring structures on small

lots. Such buildings shall provide habitable space on the ground floor, a ground level entrance and landscaping and windows fronting the street...

iii. Front porches, bays, and balconies shall be provided to maximize architectural variety.

The project originally proposed under Coastal Development Permit Application No. 5-13-0949 was a three-story, 30-foot high, 6,166 three story single-family home over three lots, which was inconsistent with Sections 30251 and 30253 of the Coastal Act and with the policies of the certified LUP because it was not visually compatible with the character of the surrounding area. The structure was not consistent with the scale, massing, and landscape of the existing residential neighborhood and the proposal to construct one house over three lots was inconsistent with the policies of the certified LUP.

The applicant withdrew the referenced proposed 6,166 square foot house from the original CDP application and modified the proposed project to include a three-story, 35-foot high, 4,816 square foot single-family home on two lots adjacent lots and a 1,064 square foot single family home on the subject (third) lot. That proposal was approved by the City of Los Angeles but the Commission found that the project raised a substantial issue with respect to consistency with Chapter 3 of the Coastal Act, specifically the policies related to scenic and visual qualities and community character referenced above.

The applicant has since modified the proposed project and submitted revised plans which feature a two-story, 29-foot high, 1,800 square foot single-family home with attached 367 square foot two-car garage at 416 Grand Boulevard. The revised plans enclose the lower floor of the home to provide livable space, increasing the size to approximately 1,800 square feet (**Exhibit 3**). The revised plans also call out enlarged windows and design articulations on the front façade of the house. The revised plans propose drought tolerant non-invasive landscaping, gutters and downspouts, and rain catchment cisterns in the side yards.

The Commission finds that even as modified, the revised proposal is significantly more not consistent with the scale, massing, and landscape of the existing residential neighborhood and would not be visually compatible with the character of the surrounding area. There are several three-story structures on the subject block, including a 2,798 square foot single family home at 404 Grand Blvd. and 3,159 square foot single family home at 406 Grand Blvd. approved by the Executive Director under waivers of coastal development permit requirements (5-13-040-W and 5-12-222-W; see photos in Exhibit 4). Those homes were built to nearly the maximum size allowed by the zoning code and the certified LUP, and included roofdecks and narrower front setbacks than the subject application. There is also a two story, 3,362 square foot four-unit apartment building to the west of the subject site at 414 Grand Blvd. and a three-story 2,526 square foot single family home at 434 Grand Blvd. There are two one-story structures at 426-428 Grand Blvd. to the east of the subject site and many one and two-story structures on the opposite side of the street.

The Commission finds that although there are two larger homes near the proposed project, they do not represent the prevailing pattern of development on the subject block or the character of the special coastal community of Venice. The proposed development would be out of scale with the character of the neighborhood as a whole, especially when considered in combination with the related, proposed structure at 418-422 Grand Boulevard. The fact

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that other large homes exist in the area and are allowed by the zoning code does not mean that every property owner is entitled to maximize the development potential of every site. Section 30251 of the Coastal Act states that the scenic and visual qualities of an area shall be considered as a resource of public importance and Section 30253 states that special communities and neighborhoods shall be protected. The subject application would not be consistent with the scenic and visual resources of the area and would have an adverse cumulative effect on the community character of Venice, which is defined as a special coastal community in the certified Land Use Plan.

The revised proposal features a 15 foot front yard setback with a three-foot high front yard fence setback one foot from the sidewalk adjacent to Grand Boulevard. In order to ensure that the development preserves the pedestrian scale which contributes to the unique character of the community as outlined in the certified LUP, **Special Condition 3** requires that the front fence in the 15 foot front-yard setback area shall be constructed no higher than three-feet above grade as measured from the public sidewalk adjacent to Grand Boulevard. The side and rear yard fences shall be constructed no higher than six-feet at any point as measured from natural grade.

The revised proposal is also consistent with the existing landscape of the community because it provides drought tolerant non-invasive landscaping in the 15-foot front setback, which will be visible from the sidewalk and will provide contrast from the front façade of the home.

The revised proposal includes the use of different materials from the home proposed next door by 422 Grand Blvd LLC (which is controlled by the same applicant) under the related, but separate, Coastal Development Permit No. A-5-VEN-15-0026 (Exhibit 3). The proposed three-foot high fences fronting each of the two proposed developments are also distinct from one another in design. To further separate the two developments so that they do not function as one compound, which would be inconsistent with the character of the community as identified in the certified LUP, the applicant proposes and **Special Condition 3** requires that the side yard fence at the east side of the property (between the subject site and the adjacent property at 418-422 Grand Blvd) shall be maintained in a functional state throughout the life of the development.

In order to ensure that the development is carried out as shown on the revised plans, consistent with the size and scale of surrounding structures and with the pedestrian scale which contributes to the unique character of the community as outlined in the certified LUP, **Special Condition 4** requires the applicant to undertake development in accordance with the approved final plans, specifically including the site plan, landscaping plan, and drainage plan.

Under Venice Land Use Plan Policy I. A. 1 b, proposals to consolidate two lots may be found to be consistent with the Coastal Act and with the Venice LUP only if proposed structures are articulated to provide a pedestrian scale and are designed to be visually compatible with surrounding structures. However, the proposed home, even as modified, is not consistent with the scale, mass, and landscape of the surrounding development. The architectural style of the home is also similar to that of the proposed adjacent structure at 418-422 Grand Boulevard, and the two have been designed to surround what appears to be a common courtyard and pool area. Both on its own as well as when analyzed cumulatively with the proposed adjacent structure, the proposed development is not consistent with Section 30251 of the Coastal Act because it will not be visually compatible with the

### character of surrounding area, which features primarily smaller, one and two story single family residences on single lots.

Opponents of the proposed project assert that the City's public hearing procedures violated Venice residents' due process, did not comply with the California Environmental Quality Act, and did not comply with California Government Code Section 65590 (the Mello Act of 1982). They argue that the Venice LUP contains standards for implementation of the Mello Act which the City of Los Angeles ignored.

The California Legislature amended the Coastal Act to remove some 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 is responsible for implementation of the Mello Act in its segments of the Coastal Zone, including 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, 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 Angeles<sup>2</sup>. Since 2001, the City has been regulating development through its Interim Administrative Procedures for Complying with the Mello Act.

<sup>&</sup>lt;sup>2</sup> 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

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In this case, the City of Los Angeles Housing and Community Investment Department determined that the subject site contained two affordable housing units in each of two pre-existing duplexes but the City of Los Angeles Planning Department determined that it was infeasible to provide replacement affordable housing on the site and approved two separate Mello Act Compliance reviews on February 9, 2015.

The Venice Land Use Plan was certified after the Coastal Act was amended to remove specific affordable housing policies, and after the Mello Act was passed. The City's certified LUP sets forth specific policies encouraging the preservation of existing residential units. LUP Policy I. A. 9. Replacement of Affordable Housing, states:

Per the provisions of Section 65590 of the State Government Code, referred to as the "Mello Act", the conversion or demolition of existing residential units occupied by persons and families of low or moderate income shall not be permitted unless provisions have been made for replacement of those dwelling units which result in no net loss of affordable housing in the Venice Community in accordance with Section 65590 of the State Government Code (Mello Act).

The certified Venice Land Use Plan also includes Policy I.A.11 requiring affordable housing units to be replaced at a 1:1 ratio, Policy I.A.12. giving displaced residents priority for new units, Policy I.13.A allowing for greater residential density in projects that include affordable housing units, Policy I.A.14 allowing for the provision of fewer parking spaces than required for projects that include affordable housing units, and Policy I.A.15 allowing for a payment of a fee in lieu of providing actual required replacement affordable housing units.

However, LUP Policy I.A.16 incorporates by reference the exception provisions of the Mello Act. Applying Policy I.A.16. Exceptions, for proposed demolitions of fewer than three units in one structure, or up to 10 units in multiple structures, replacement of affordable housing units is only required when the local government determines that it is feasible. In this case, the City considered the demolitions of each duplex separately and the City did not require any replacement affordable housing units because the City determined that it was not feasible to provide replacement affordable housing units, pursuant to the provision of the Mello Act.

The Commission has no jurisdiction to alter the City's Mello Act determinations. The California Government Code makes it clear that it is the responsibility of the local government to implement Section 65590. Nor can the Commission invalidate the City's California Environmental Quality Act determination. In its substantial issue analysis, the Commission found that the appellant's contentions regarding the City's Mello Act and CEQA determinations did not raise a substantial issue because the Commission does not have jurisdiction to review those contentions.

For the reasons discussed above, the development is located proposed within an existing developed area that because of its unique characteristics is a popular destination point for recreational uses. In order to be consistent with the visual resources and minimization of adverse impacts policies of the Coastal Act, new development must be designed to be visually compatible with the character of surrounding areas and to and, as conditioned, will be compatible with the character and scale of the surrounding area, has been designed to assure structural integrity, and will avoid cumulative adverse impacts on visual resources and

community character. The proposed home, both individually and in combination with the related, adjacent proposed home at 418-422 Grand Ave., is inconsistent with the character of the area. Therefore, the Commission finds that the development, as conditioned, conforms denies the proposed development due to its inconsistency with Sections 30251 and 30253 of the Coastal Act.

#### **D. WATER QUALITY**

As originally submitted by the applicant and approved by the City of Los Angeles, the proposed project was not consistent with Section 30231 of the Coastal Act, which states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

The City approved development was not consistent with Section 30231 of the Coastal Act because the site plan did not call out on-site drainage devices and the special conditions of the approved permit did not require construction best management practices to prevent discharge of construction debris into coastal waters. The City-approved development did not include a landscape plan or requirement for drought tolerant landscaping. The City-approved development did not include features or requirements for controlling runoff or surface water flow generated on site or from storm events. Additionally, the City's approval was not consistent with section 30253(d) of the Coastal Act which requires new development to minimize energy use because it did not include requirements for low water/energy use appliances or other features designed to reduce resource use during California's extreme drought.

The applicant has submitted revised plans. The revised landscape plan features entirely drought-tolerant, plant species. The drainage plan features gutters and downspouts which direct water to rain cisterns. Water from the cisterns will be utilized to irrigate the landscaped areas through a drip or microspray system. The applicant proposes construction best management practices including filters to capture any runoff during construction. In order to ensure that water quality is preserved and energy use is minimized over the life of the development, **Special Condition 1** requires the applicant to provide drought tolerant non-invasive landscaping and rain cisterns, which shall be maintained in a functional state. In order to preserve water quality during construction, **Special Condition 2** requires the applicant to implement construction best management practices.

Therefore, the Commission finds that the proposed development, as conditioned, conforms with Sections 30231 and 30253 of the Coastal Act regarding protection of water quality to promote biological productivity and minimization of energy consumption in new development. However, the proposed development cannot be found consistent with other sections of the Coastal Act, and therefore is denied.

#### E. PUBLIC ACCESS

As conditioned to provide a pedestrian scale along the portion of the property fronting Grand Boulevard, the proposed development will not affect the public's ability to gain access to, and/or to make use of, the coast and nearby recreational facilities. Therefore, as conditioned, the development conforms with Sections 30210 through 30214, Sections 30220 through 30224, and 30252 of the Coastal Act. However, the proposed development cannot be found consistent with other sections of the Coastal Act, and therefore is denied.

#### F. 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 proposed, the proposed development is <u>not</u> consistent with <u>the policies of</u>
Chapter 3 of the Coastal Act and <u>is not consistent</u> with the certified Land Use Plan for the area.

The City of Los Angeles is in the process of preparing a Local Coastal Program for the

Venice area. Approval of the project, as conditioned proposed, will not would 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. <u>In particular, approving this home and the related home at</u>
418-422 Grand Ave. would modify the character of the neighborhood, thereby making it
more difficult for the City to adopt a Local Coastal Program that preserves and protects
the existing community character. Protecting community character is a classic cumulative
impacts issue, and this project—especially when considered in combination with the related
proposal at 418-422 Grand Ave. and other past, current and probable future projects—
would prejudice the City's ability to prepare and adopt an LCP that protects the
community's existing character. Therefore, the Commission denies the proposed development,
consistent with the provisions of Section 30604 (a) of the Coastal Act.

#### G. 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 is the lead agency for CEQA compliance and after preparing an Initial Study, the City adopted Mitigated Negative Declaration No. ENV-2014-1357-MND.

As conditioned proposed, there are no feasible alternatives or additional feasible mitigation measures available that would substantially lessen any significant adverse effect that the activity may have on the environment. The development has not been designed to eliminate adverse effects to community character and visual resources. The applicant could construct up to two less massive homes on the single lot subject to this application, each of which could be designed consistent with the character of the surrounding area and with the Chapter 3 policies of the Coastal Act, thereby mitigating the project's visual and aesthetic impacts. Therefore, the Commission finds that the proposed project, as conditioned to mitigate the identified impacts, is the least environmentally damaging feasible alternative and can be found consistent with the requirements of the Coastal Act to conform to CEQA denies the proposed project because of the availability of environmentally preferable alternatives.

In any event, CEQA does not apply to private projects that public agencies deny or disapprove. Pub. Res. Code § 21080(b)(5). Accordingly, because the Commission denied the proposed project, it is not required to adopt findings regarding mitigation measures or alternatives.

#### Appendix A – Substantive File Documents

- 1. City of Los Angeles Certified Land Use Plan for Venice (2001)
- 2. Coastal Development Permit Waiver No. 5-13-0949-W
- 3. City File for Local Coastal Development Permit ZA-2014-1356-CDP-1A
- 4. City File for Local Coastal Development Permit ZA-2014-1358-CDP-1A

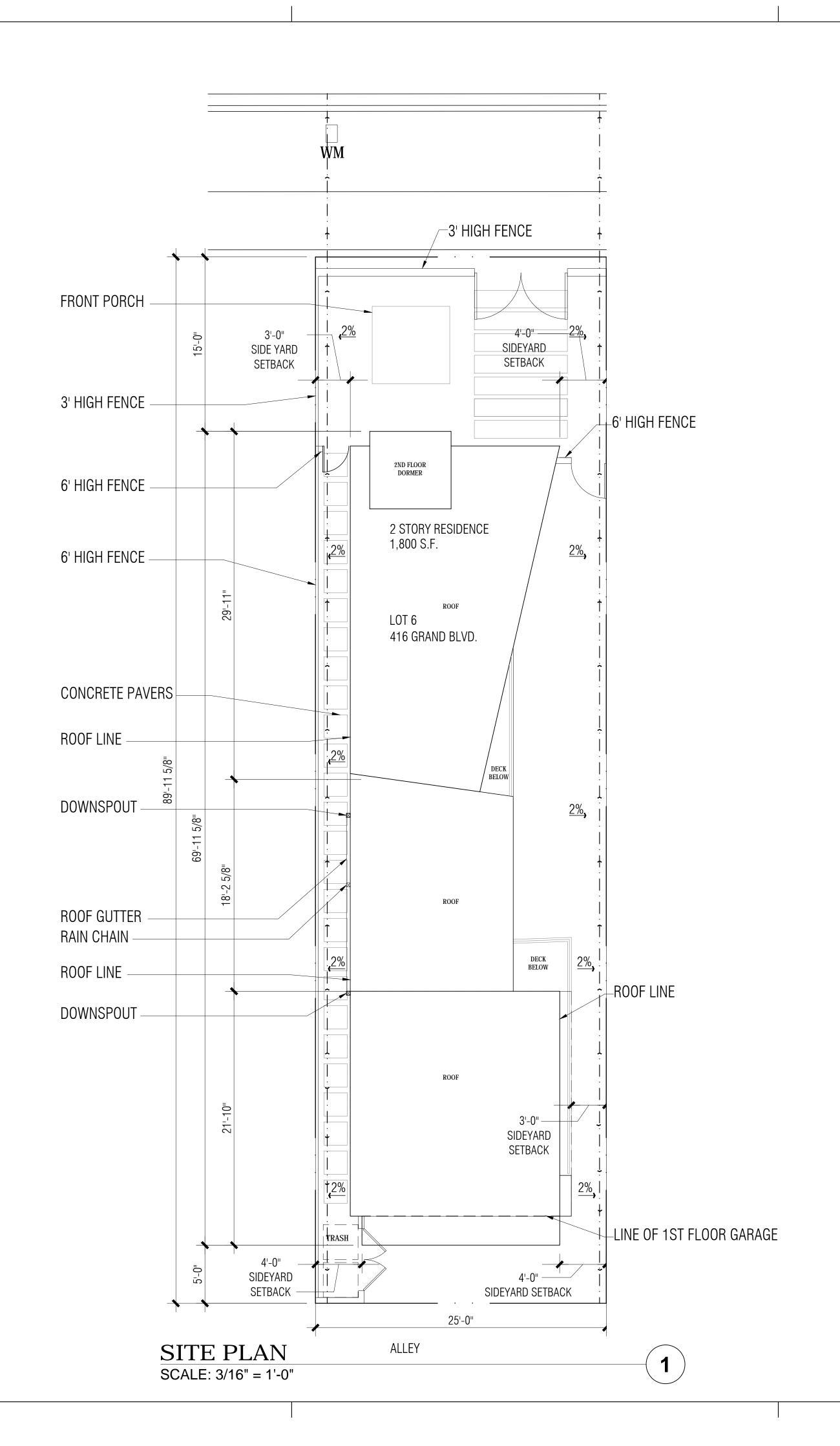
### Vicinity Map: 416 Grand Boulevard, Venice, Los Angeles



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California Coastal Commission





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CONVEYED TO THE STREET IN A NON-EROSIVE MANNER THE STREET AND THE STORM

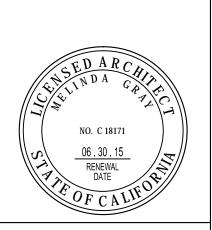
DRAIN WITH AN INSTALLED FILTERING SYSTEM MAINTAINED ON-SITE DURING THE CONSTRUCTION DURATION

DECOMPOSED GRANITE

GROUND FLOOR DRAIN

SITE PLAN LEGEND

DOWNSPOUT



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416 GRAND BLVD

416 GRAND BOULEVARD VENICE, CA 90291

SITE PLAN

SCALE: 3/16" = 1'-0" DATE: 07.11.15

A1.01

Page 2 of 8



California Coastal Commission GRAND BLVD.

## SITE DESCRIPTION

THE PROJECT CONSISTS OF A SINGLE FAMILY RESIDENCE TO BE CONSTRUCTED ON A 25' X 90' LOT.

THE HOUSE HAS AN ATTACHED GARAGE LOCATED ON 416 GRAND BLVD

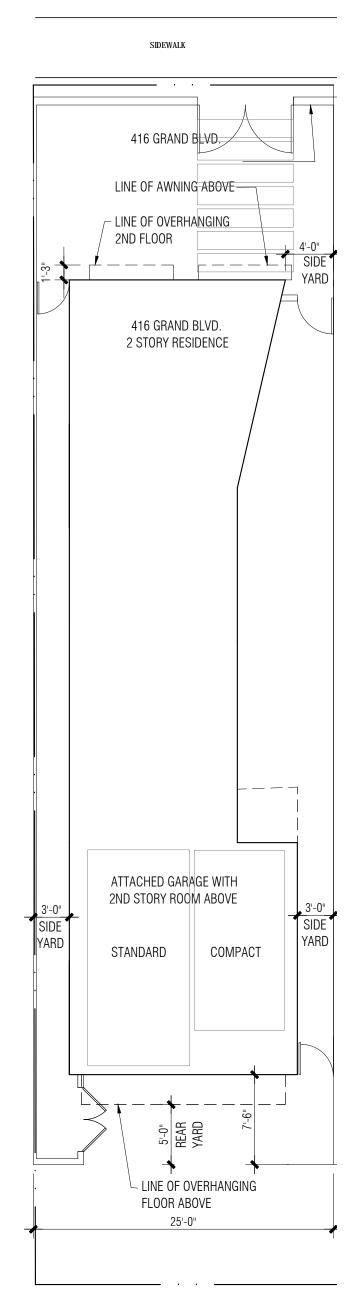
PARKING PROVIDED: 416 GRAND BLVD.: 2 COVERED

FAR: NOT REQ'D IN VENICE NORTH COASTAL AREA SPECIFIC PLAN.

FLOOR AREAS: 416 Grand Blvd.: 1800 SF (garage is an additional 367 SF)

TOTAL SITE AREA: 416 GRAND BLVD.: 2250 SF

PROJECT HEIGHTS MEASURED FROM CENTERLINE OF STREET AT CENTER OF LOTS: 416 GRAND BLVD.: 28' - 8.5" (FLAT ROOF)





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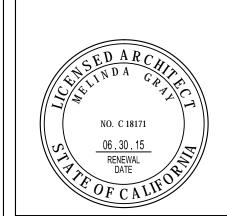
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### 416 GRAND BLVD

416 GRAND BOULEVARD VENICE, CA 90291

PLOT PLAN

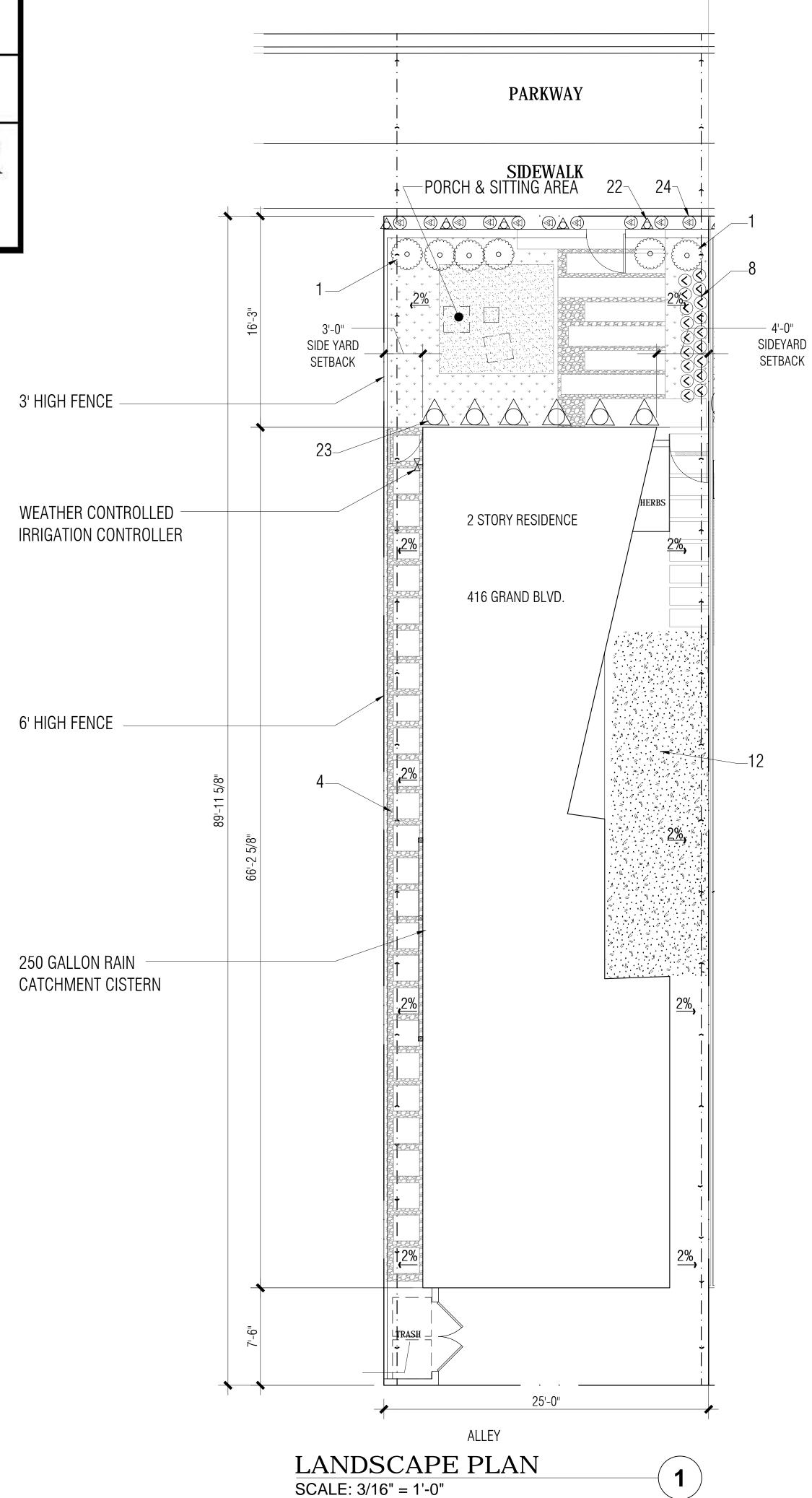
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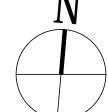
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California Coastal Commission











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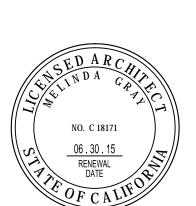
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### SITE PLAN LEGEND

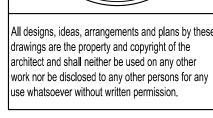
CONCRETE

DECOMPOSED GRANITE

THYME GROUND COVER

DRAIN AWAY FROM BLDG.,
CONVEYED TO THE STREET IN A NON-EROSIVE MANNER

RUNOFFS TO BE CONVEYED TO THE STREET AND THE STORM DRAIN WITH AN INSTALLED FILTERING SYSTEM MAINTAINED ON-SITE DURING THE CONSTRUCTION DURATION



416 **GRAND BLVD** 

416 GRAND BOULEVARD VENICE, CA 90291

LANDSCAPE PLAN

SCALE: 3/16" = 1'-0" DATE: 07.11.15

A1.03

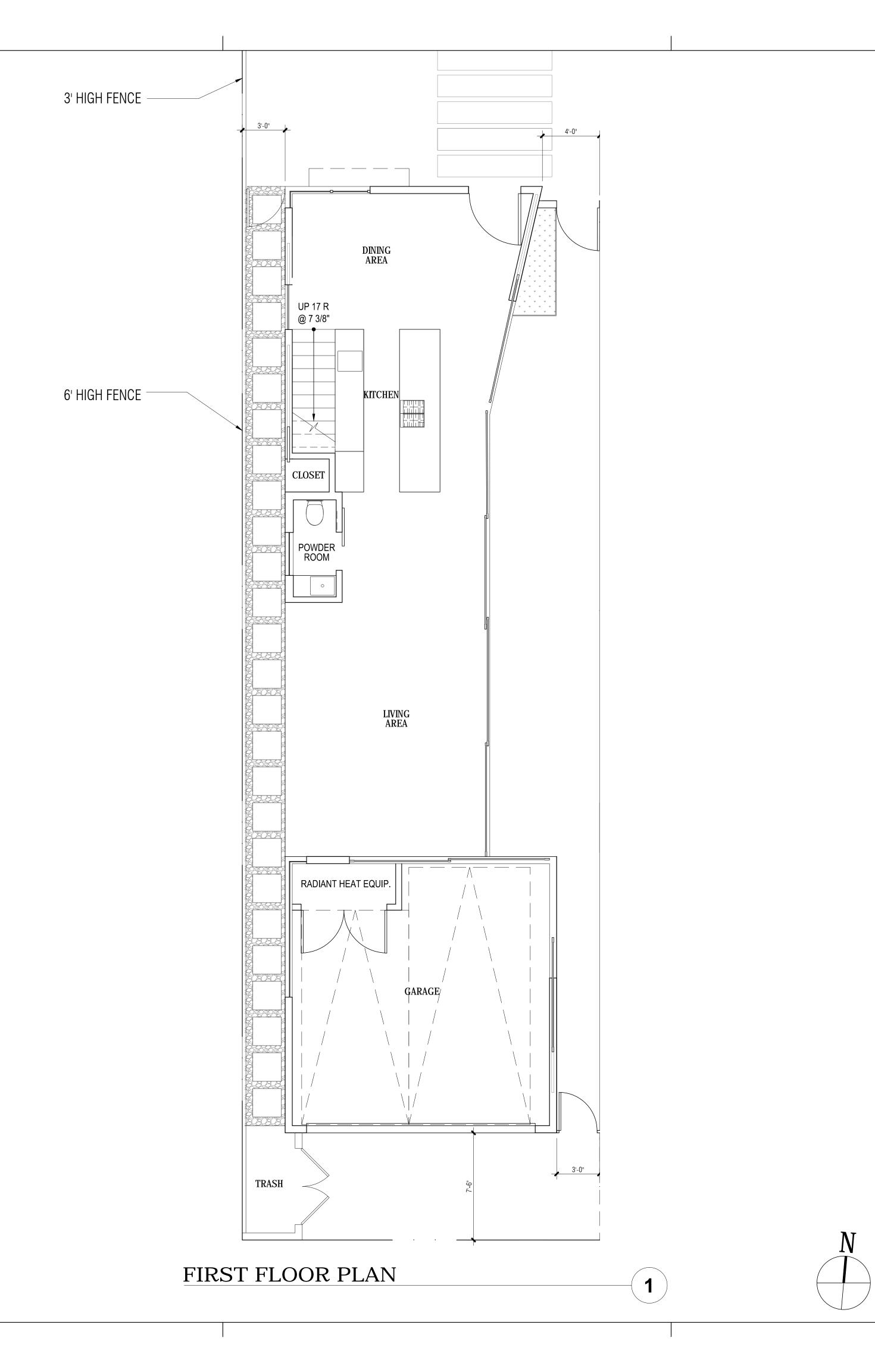
LANDSCAPE IMAGES

2

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California Coastal Commission





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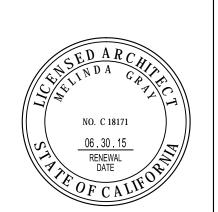
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416 GRAND BLVD

416 GRAND BOULEVARD VENICE, CA 90291

FIRST FLOOR PLAN

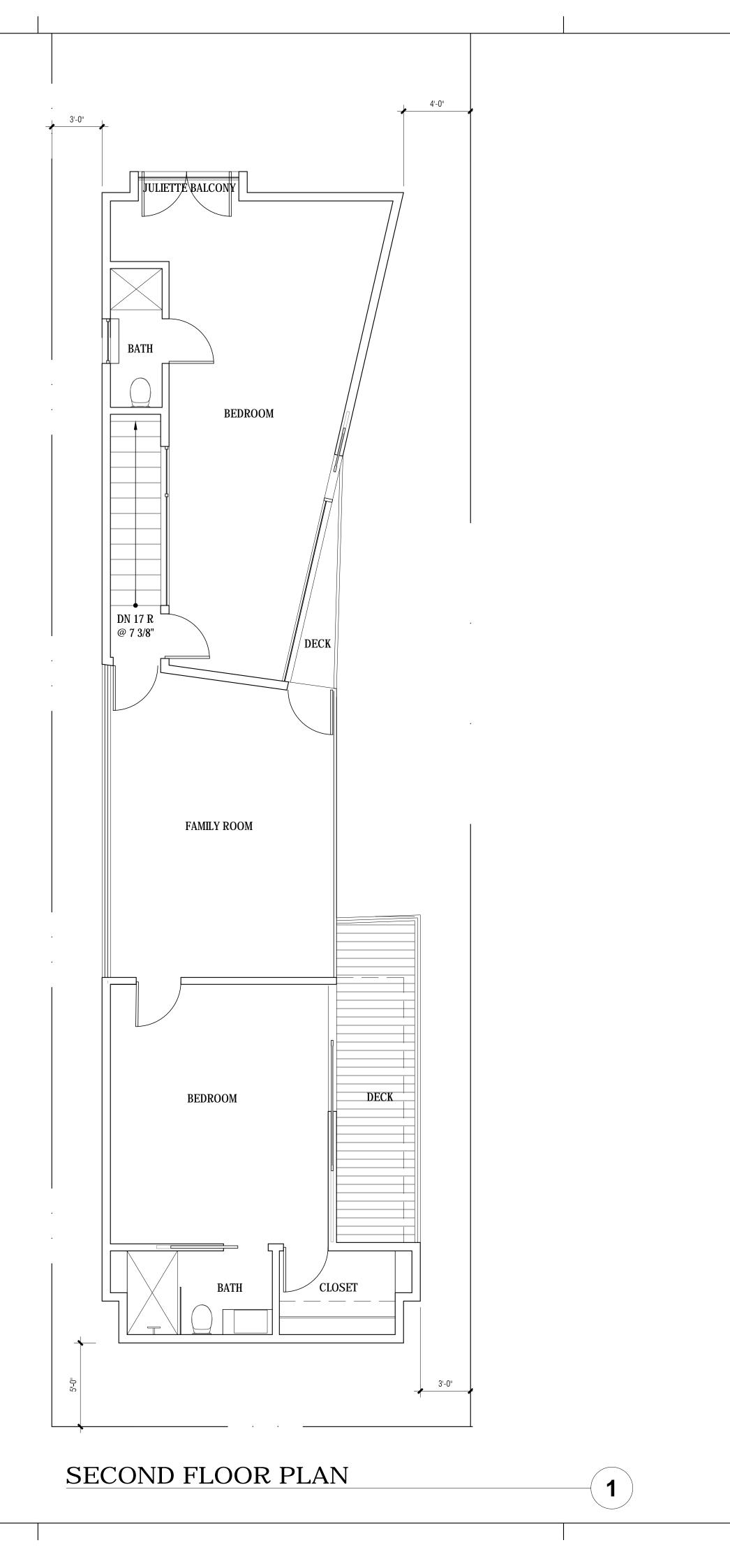
SCALE: 1/4" = 1'-0" 07 . 11 . 15

A2.01

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California Coastal Commission





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416 GRAND BLVD

416 GRAND BOULEVARD VENICE, CA 90291

SECOND FLOOR PLAN

SCALE: 1/4" = 1'-0"

A2.02

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California Coastal Commission





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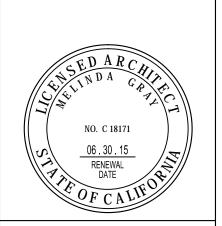
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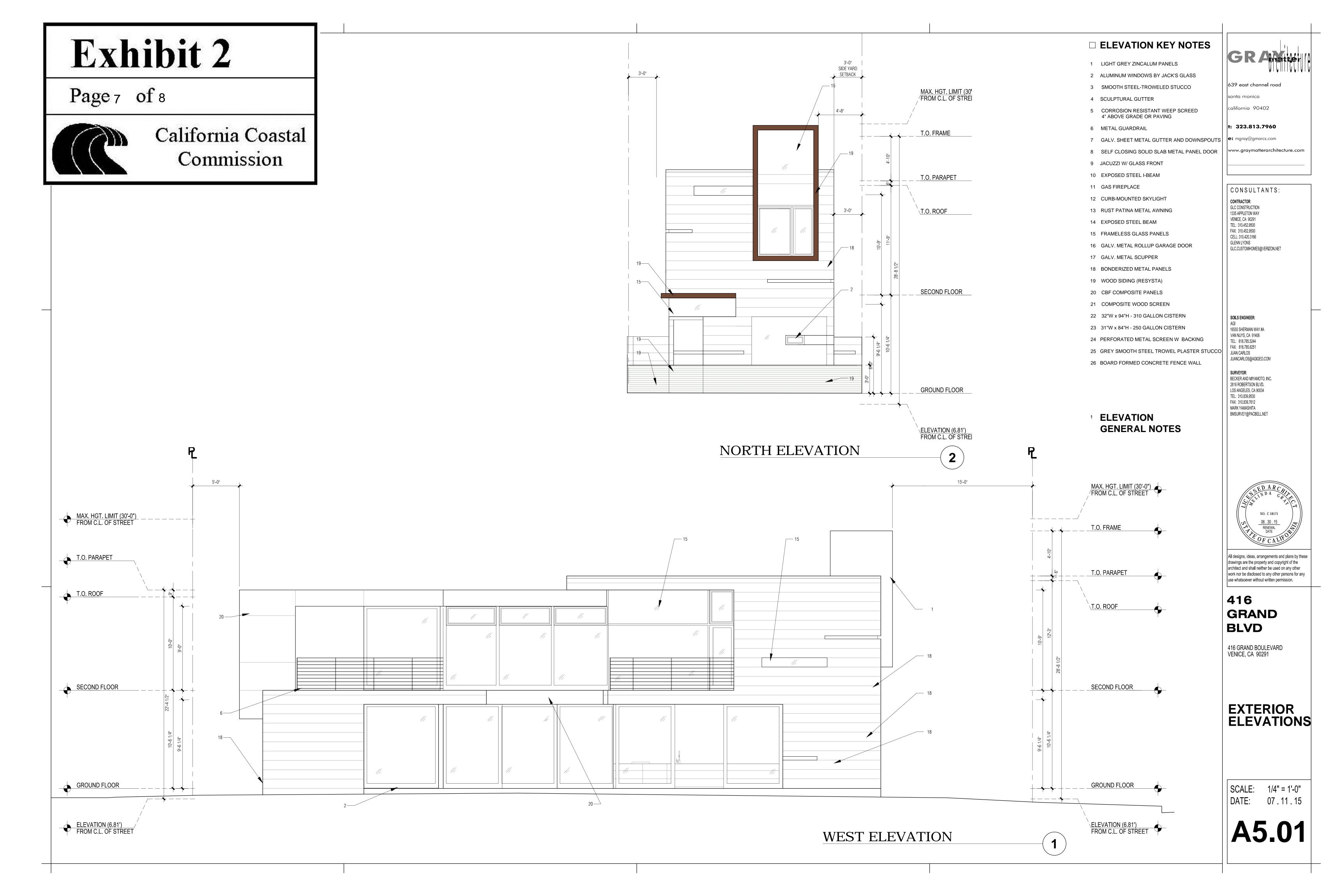
416 GRAND BLVD

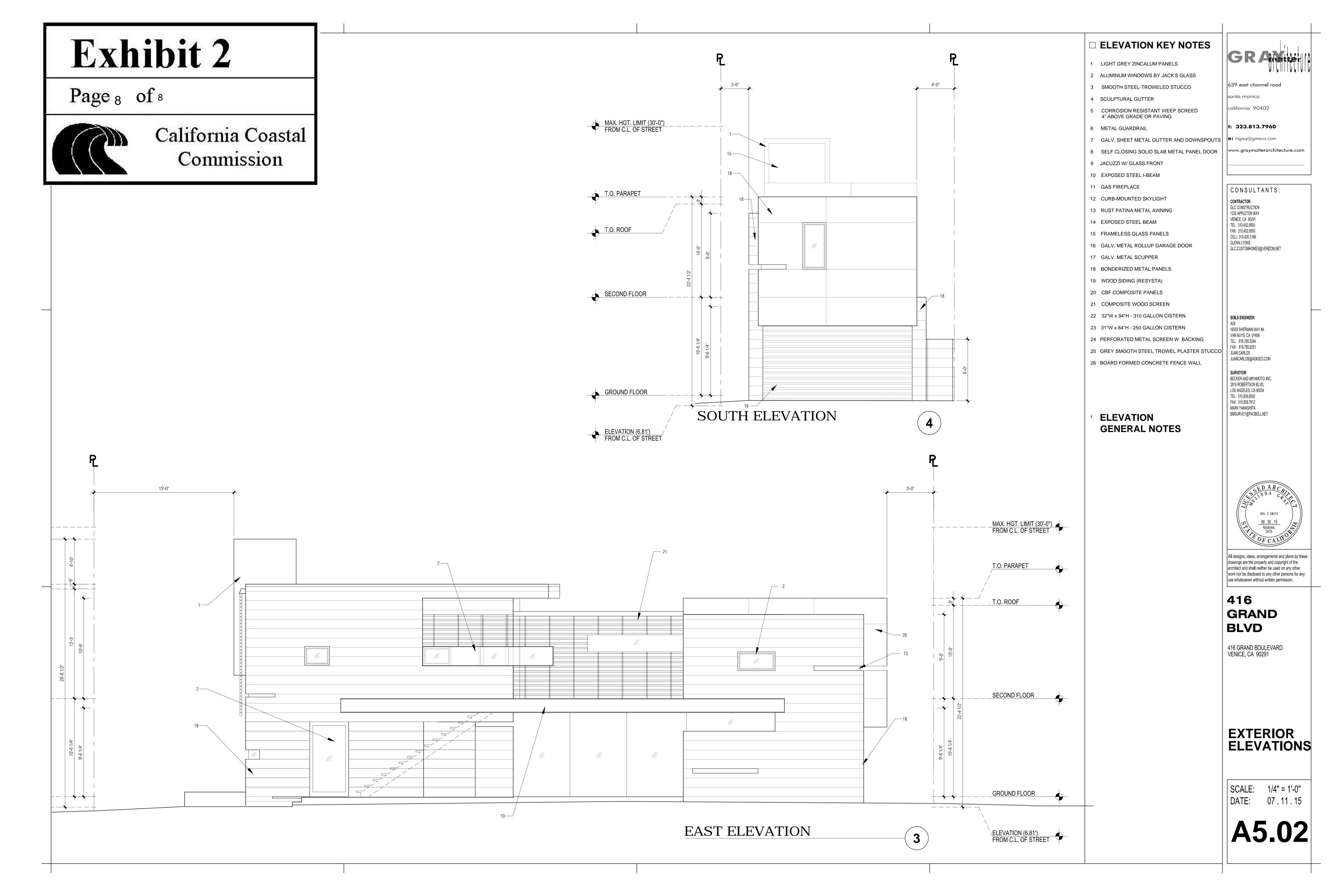
416 GRAND BOULEVARD VENICE, CA 90291

ROOF PLAN

SCALE: 1/4" = 1'-0"

A2.03







418 GRAND BLVD.: ROOF PLAN VIEW





DIFFERENT MATERIALS FOR EACH HOUSE



California Coastal Commission



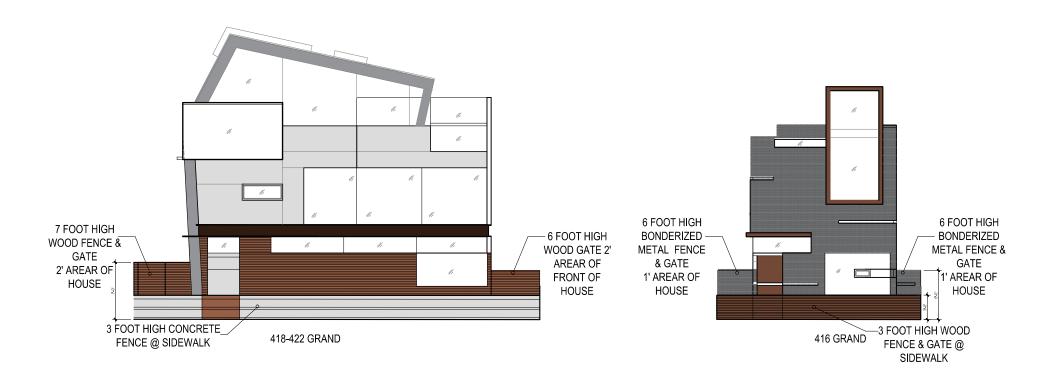
416 & 418 GRAND MATERIALS BOARD

### Exhibit 3

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California Coastal Commission



California Coastal Commission

Page<sub>4</sub> of<sub>4</sub>



One-story bungalows/cottages directly across street from subject site



Photos: Commission staff (4/25/15)

Modern three-story homes on same block (west of subject site)