South Coast District Office 301 E Ocean Blvd., Suite 300 Long Beach, CA 90802-4302 (562) 590-5071



LCP-5-SNM-22-0041-1 (CITY OF SANTA MONICA)

DECEMBER 12, 2023

EX PARTE

Filed by Commissioner: Dayna Bochco

1) Name or description of project: Ocean Ave Project W18a/20b

2) Date and time of receipt of communication: Dec 5 1pm

3) Location of communication: Zoom

(If not in person, include the means of communication, e.g., telephone, e-mail, etc.)

Identity of person(s) initiating communication: Melanie Luthern, Danielle Wilson

Identity of person(s) on whose behalf communication was made: United 11

6) Identity of persons(s) receiving communication: Bochco

Date

7) Identity of all person(s) present during the communication: Christian Nor Since I had ex parte with applicant, I didn't need the facts of the project. They stressed how ur

Signature of Commissioner

nand it is to build affordable housing in Santa Monica; that the project took 10 years to get approval from the City, and that, if they do what staff is asking, it will go back to the City, requiring new approvals of height and density, and it will most llikely be denied. They are familiar with the hostel that is designated for the \$4M+ mitigation payment and thinnk it is a very viable option for the affordable moon

Ocean Avenue Project Santa Monica



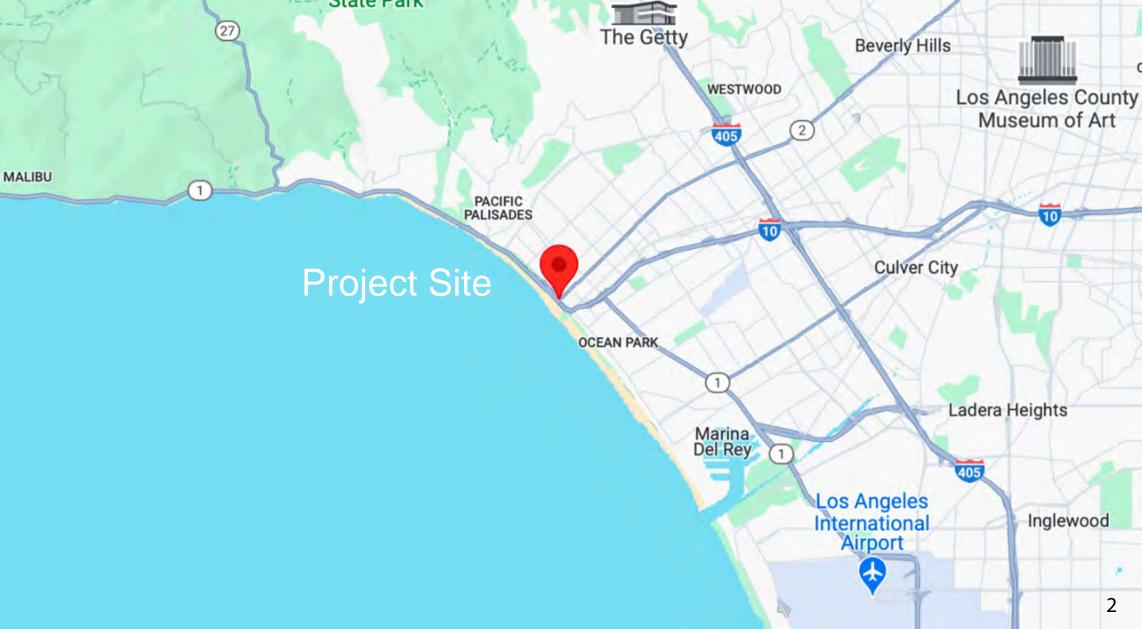
December 4, 2023

Coastal Commission Hearing, December 13, 2023

Item W18.a - LCP-5-SNM-22-0041-1 **Item W20.b** - CDP #5-22-0799

A copy of these briefing materials has been provided to South Coast District staff.







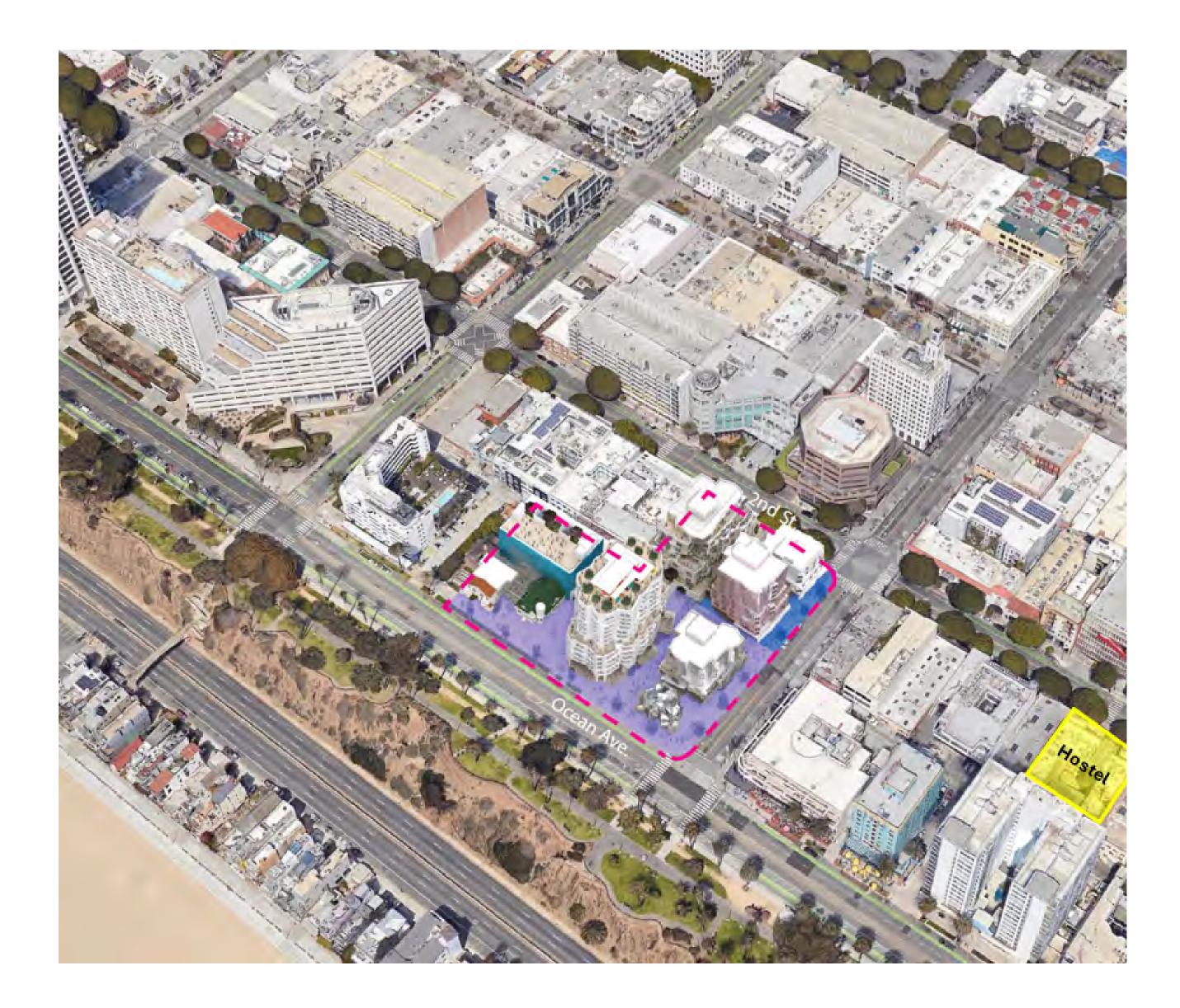
THE EXISTING SITE



OCEAN AVENUE



Eleven lots combined (~1.9 acres) have been owned by the Worthe family for over 40 years.



PROJECT OVERVIEW

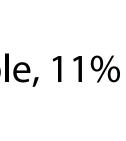
Item W18.a: City LUP Amendment

A City approved project-specific amendment to permit a 130' height limit and 2.95 FAR

Item W20.b: Mixed-use project on prominent **Ocean Ave frontage (hotel, housing, retail)**

- New 120 room hotel
- ~\$4.3 million contribution to lower-cost lodging \bullet
- 100 new apartment units including 25% affordable, 11% rent-controlled and 64% market-rate
- Public rooftop observation deck with 360 degree views (at 130' - highest point on-site)
- Visitor-serving, pedestrian-oriented ground floor retail and restaurants
- World class sustainable building design by architect Frank Gehry
- Expansive open space and paseos throughout the site for public access
- Transformation of two on-site landmark buildings into a new Cultural Uses Campus/museum
- Vehicle parking (subterranean), bicycle parking, access to robust public transportation network





















HOUSING

Rental Housing:

- 100 new units within walking distance to beach, transit, jobs and local services
- 25% deed-restricted affordable • Extremely-Low Income (30% AMI) – 4 units ○ Very-Low Income (50% AMI) – 4 units ○ Low Income (80% AMI) – 6 units ○ *Moderate Income (120% AMI) – 11 units*

11% rent-controlled

• After move-in, City Rent Control Board limits rent increases (max 3%)

• Avg. rent-controlled rent for long-term tenant is 200% less than market-rate rent in Downtown Santa Monica (150% less Citywide)

• Tenants in existing units will be offered replacement unit in new project at rent-controlled rent, with relocation costs paid by applicant (moving costs and comparable *housing during construction at current rent)*

• Mix of unit types from studios to three-bedrooms for *both* market and affordable apartments



Hotel:

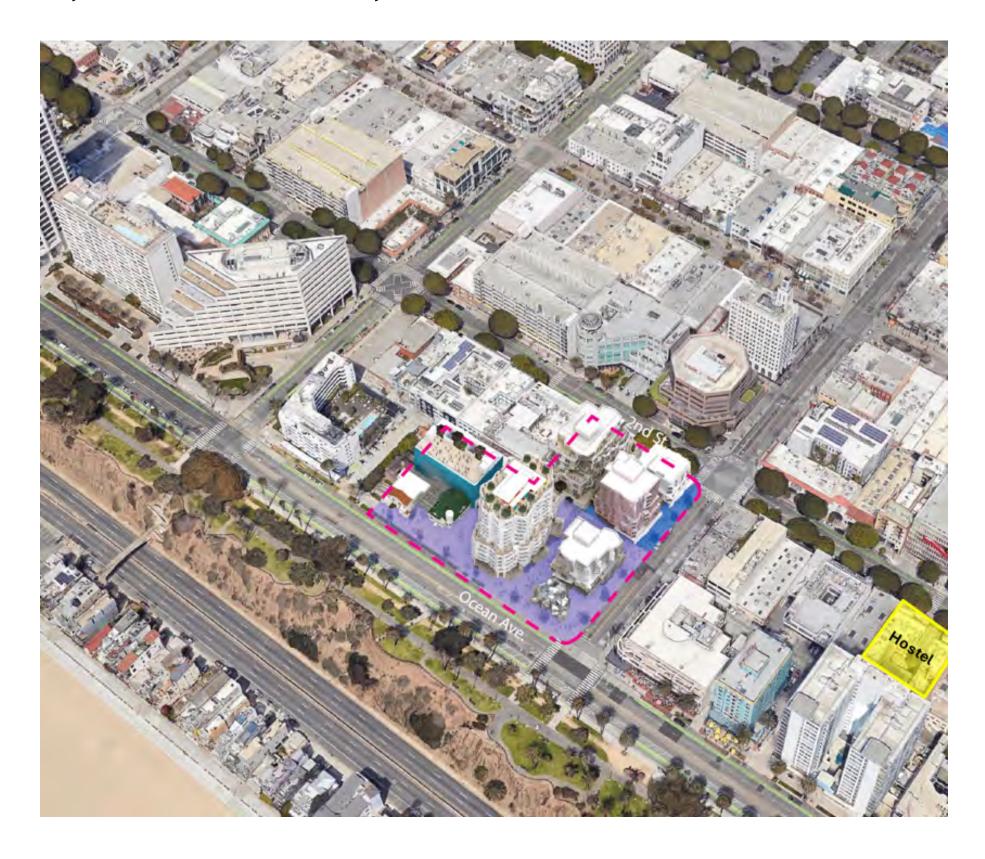
- 120 new hotel rooms
- High quality jobs (*support from UNITE* HERE and Building Trades)
- Hiring program prioritizing low-income households
- Internship program



OVERNIGHT ACCOMMODATIONS

Low-cost Lodging:

- Applicant will provide \$4,342,500 in-lieu fee to Hostelling **International** for the construction of lower-cost overnight visitor accommodations
- Hostelling International is an *ideal recipient* 40-room expansion plan is $\frac{1}{2}$ block from the project (see yellow highlight below)
- 20 of the new units are proposed for families (sleeps 4, private bathroom) Physically and economically infeasible to build 30 low-cost rooms on-site









PUBLICLY ACCESSIBLE OBSERVATION DECK

\$1/person entry fee with proceeds to Santa Monica Public Schools

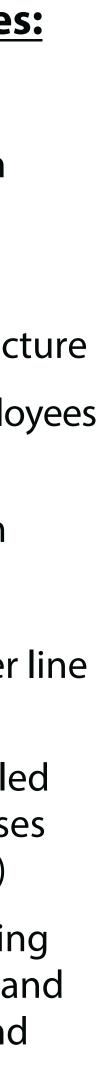




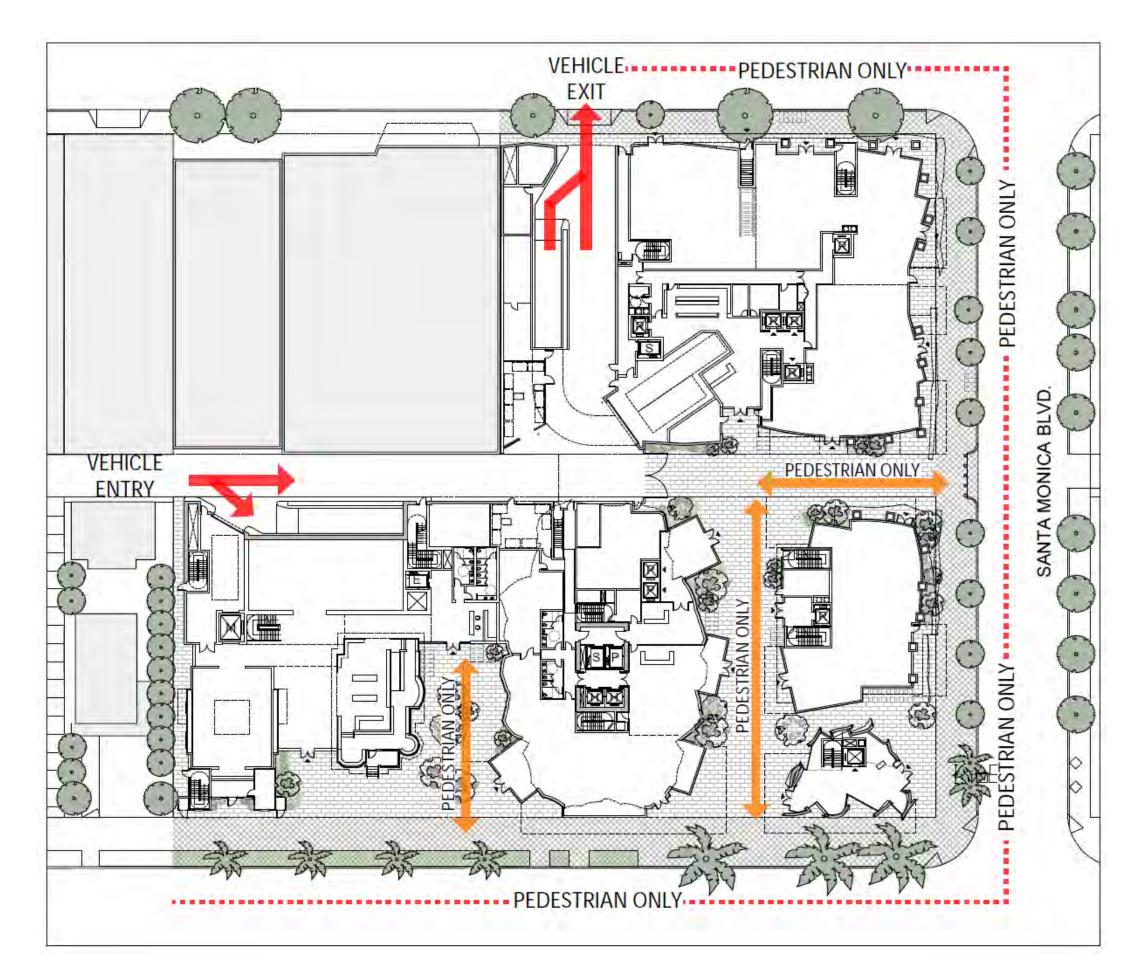
SUSTAINABILITY

Sustainable Project Features:

- LEED Platinum
- 100% Green Power through Clean Power Alliance
- Solar infrastructure on rooftop
- EV charging stations and infrastructure
- Transportation allowances for employees and residents
- Marine Debris Reduction Program
- Water Conservation including:
 - Pay city to extend recycled water line to project site
 - Dual plumbing and use of recycled water for all County-approved uses (e.g. toilet flushing, landscaping)
 - Achieve water neutrality, including through use of low flow fixtures and drought-tolerant landscaping and payment of in-lieu fee







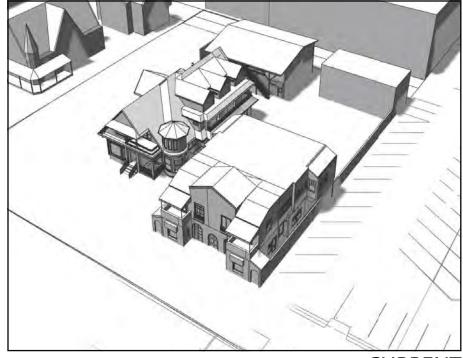
- Enhanced pedestrian access to/through site
- Ground-level publicly accessible open space

PUBLIC ACCESS AND RECREATION / OPEN SPACE









CURRENT



REPOSITIONED



PROPOSED CULTURAL USES CAMPUS



- Permanent home to a portion of Frank Gehry's personal archives
- Diverse educational and community programming
- Free field trip opportunities for non-profits serving underrepresented youth and public schools, including cost of transportation

MUSEUM & HISTORIC PRESERVATION

• Transformation of two landmark buildings from private commercial use to visitor-serving museum campus designed by Frank Gehry, architect of iconic museums worldwide (e.g., Guggenheim – Bilbao, Spain).





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PUBLIC BENEFITS SUMMARY

- Housing with 25% on-site affordable units
- ~\$4.3 million toward affordable lodging
- Publicly-accessible observation deck
- Abundant ground-level open space
- Sustainability
- Museum and Historic Preservation
- High quality jobs (*support from UNITE HERE and Building Trades*)

- Employment and internship opportunities prioritizing low-income households
- \$250,000 toward *economic equity and opportunity initiatives*
- \$1,000,000 toward *early childhood initiatives* including childcare and preschool tuition subsidies
- \$2,160,000 toward off-site *parks and recreation*
- \$2,255,000 toward *transportation/mobility and pedestrian improvements*
- \$400,000 toward development and availability of *new affordable housing*



STAFF RECOMMENDATIONS

1. City's LUP Amendment (Item W18.a)

- *Deny* the LUP Amendment and send back to City Council with modifications to increase height and FAR if applicant chooses to build on-site lower cost lodging

2. Project (Item W20.b)

- *Approve* the project with two options for lower-cost visitor accommodations (<u>applicant's choice</u>):

- A: Revise the project to add 30 onsite low-cost rooms (which requires additional entitlement process with the City of Santa Monica); OR
- **B:** Make in-lieu contribution of \$4,342,500 to nearby Hostelling International to construct lower-cost overnight visitor accommodations

3. Development Agreement (Item W20.b)

- *Approve* the DA (modifications will be necessary if applicant chooses option to build on-site lower cost lodging)

APPLICANT REQUESTS

1. City's LUP Amendment (Item W18.a)

- *Approve* the LUP Amendment as submitted (and unanimously approved by 2022 City Council) because changes are unnecessary; applicant is unable to build on-site lodging and <u>should not be</u> <u>required to take on additional entitlement risk</u> with discretionary City process for an option it will not pursue

2. Project (Item W20.b)

- *Approve* the project with only one option: <u>in-lieu</u> <u>contribution of \$4,342,500</u> to nearby Hostelling International to construct lower-cost overnight visitor accommodations

- Applicant is unable to build 30 low-cost accomodations on-site and will not select "Option A" so it is unnecessary, confusing, and increases applicant's entitlement risk

3. Development Agreement (Item W20.b)

- *Agreed; Approve* the DA (modifications are not necessary because applicant is unable to build on-site lower cost lodging)



CONCLUSION

The applicant respectfully requests the Commission:

- 1. City's LUP Amendment (Item W18.a): Certify <u>as</u> <u>submitted</u> by the City (staff's modifications are unnecessary, confusing to the public, and require discretionary approval by City).
- 2. Project (Item W20.b): Approve the Project *with* \$4,342,500 in-lieu contribution to Hostelling International for lower-cost lodging (on-site lodging is <u>infeasible</u>).
- **3. Development Agreement (Item W20.b):** Approve the DA <u>as submitted</u>.

Thank you for your time.



14

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6) Identity of persons(s) receiving communication:

7) Identity of all person(s) present during the communication: _____

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

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Memo Ocean Avenue Unite Here discussion on zoom

The group is very concerned about staff recommendation on Ocean Avenue project. Melanie held Danielle's job previously and worked on this project. Two things important to their members- affordable access and housing. Problem is acute. Members driving 2-3 hours for work.

They have worked on this project for 10 years, taking it from 20 stories of condos to the current project containing 25 units of affordable housing (8 of which are rent controlled) and 11 additional market rate units of rent controlled apartments out of 100 units total of housing.

Applicant is proposing \$4.3 million contribution to Santa Monica hostel which nearby to this site. This is for additional units in a hostel, and will get built. Hostel was built with in lieu fees and has submitted plans to expand. Adding 40 rooms very close to project site.

Compare to Shore Hotel, here developer worked out package in advance. Problem with staff's recommendation is that it would drive the project back to the City Council, which might result in the project being denied completely as the make-up of the Council has changed.

Christina Santiago- lives in a community building in Santa Monica. Can take advantage of the schools for her kids, and the time that is saved by not having to drive so far to work. Currently working directly for Unite Here Local.

Dora Hernandez- worked for Viceroy Hotel for many years as a server. Would take 2 hours each way to work. Also a student, no time to study. She would love to live in Santa Monica and not have to do this extensive drive. Can never see family because of work hours opposite of her parents. Can't imagine how difficult it is for those that have kids. Gave up looking for a place as there is nothing affordable.

Magnolia Tank Farm Feb 2024

Similar to the Ocean Avenue project. Been supported by labor consistently and environmental justice groups. On the sea level rise issue, millions of people are contributing to climate change due to long drives. Developer has come up with new design that addresses issues.

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Discussion regarding the two parts of the project, LUP amendment and the project itself. Orientation to project. Frank Gehry designed, he's been working on this since 2007. Owners of land have owned it for 40 years. Many years of working with local community. Unanimous approval of project and LUP amendment by City in 2022. Amending 1992 adopted LUP.

Discussed exact number of required low cost units and how many are being provided. Hotel rooms -- 120 market rate rooms, hiring program prioritizing low income households and training program. Staff report proposes 25 low cost rooms on the site, but this will be very difficult. Instead applicant proposing contribution of \$4.3 million to the Santa Monica Hostel to provide low cost rooms. Has not been brought to CCC yet, and project is currently tabled but applicant here states that Hostel owner would like to jump-start project expansion using the in lieu funding. Total cost \$21 million for the additional 40 rooms. Hostel is a 501(c)(3)

Discussion on assurance that hostel rooms get built. The \$4.3 million must go into escrow for the hostel before project building permit issuance. They have 7 years to complete construction. However, no way to guarantee that the hostel rooms will be built.

Details about the sustainable nature of the project provided. Description of museum provided. Free field trips, diverse exhibits. Hotel roof will be available to the public during designated daylight hours, cost of \$1 per person going to the Santa Monica public schools. Paseo area on ground floor includes spaces and restaurants available to public.

Significant contributions to a variety of programs and new affordable housing in Santa Monica.

Review of challenges of staff recommendations. Applicant wants Commission to approve LUP as submitted and they are concerned about going back to City Council. The project cannot build on sight lodging – not possible given the design. Ten year old project – applicant insists changes proposed by staff would kill the project.

Filed by Commissioner:Dayna Bochco
1) Name or description of project: W 18a and 20b SM LUP Amendment and Ocean Ave Partner
2) Date and time of receipt of communication:Dec 4, 2024 (2:00-2:30)
3) Location of communication: Zoom
(If not in person, include the means of communication, e.g., telephone, e-mail, etc.)
4) Identity of person(s) initiating communication:Susan McCabe, Ann Blemker,
Lamore and Jann Boelke
5) Identity of person(s) on whose behalf communication was made: _Applicant
6) Identity of persons(s) receiving communication:Dayna Bochco
7) Identity of all person(s) present during the communication: Bochco, McCabe, Blemker Lamore

and Boelke_____

Applicant went thru slide of the presentation. Explained details of the long process to get City of SM approval on height and density at this location, which has been owned by applicant for 40 years. Although the project contains 25% affordable housing, staff would like the hotel portion f project to have affordable rooms on site. Applicant has spent many years getting city approval for this, and this would require going back to City for approval of staff's proposal, which would be a) not economically feasible, and 2) would delay the project for more years. Staff is asking for an option t either have city approve the new design elements for affordable hotel rooms at a nearby hostel. They are asking that Commission approve the LUP as submitted without the option of onsite and just include the mitigation fee and designated hostel for the affordable hotel rooms.

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Devc 4, 2023 Date	Signature of Commissioner

EXPARTE COMMUNICATION DISCLOSURE FORM Filed by Commissioner Donne Brownsey

1)Name or description of project: Item W18a LUPA 5-SNM-22-0041-1 and W20b CDP 5-22-079 Ocean Avenue Partners and Belle Vue Plaza

2) Date and time of receipt of communication: December 7, 2023 at 3:30- 4:00pm

Location of communication By Zoom

4) Identity of person(s) initiating communication: Anne Blemker

5) Identity of person(s) on whose behalf communication was made: Worthe Real Estate Group, the applicants

Identity of persons(s) receiving communication: Donne Brownsey

7) Identity of all person(s) present during the communication: Brownsey, Blemker, Susan McCabe, Janna Boelke with Worthe and Paula Larmore, Land Use Counsel

8)Complete, comprehensive description of communication content:

Boelke and Larmore provide background and walked through the attached presentation on the project. They emphasized that there was no scenario where they could redesign to accommodate 30 low cost overnight accomodations. They oppose the staff recommendation to reject the LUPA and adopt modifications. Also: they oppose Option A and support Option B in the CDP where they can pay the \$4.3M to the LA International hostel for in lieu fees to offset the lack of onsite affordable overnight rooms. They stated that at the design stage it was not their understanding that this was a requirement and the City was focused on other issues such as low cost housing, pedestrian friendly design and other issues. I had several guestions about the project which they answered and the information related to my questions is covered in the attached presentation.

Date December 7, 2023

Signature of Commissioner Donne Brownsey

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2) Date and time of receipt of communication: December 7, 2023 at 4:00- 4:30pm

3) Location of communication By Zoom

Identity of person(s) initiating communication: Melanie Luthern

5) Identity of person(s) on whose behalf communication was made: Unite Here Local 11

Identity of persons(s) receiving communication: Donne Brownsey

Identity of all person(s) present during the communication: Brownsey, Luthern, Danielle Wilson, Chris Guitierrez, James Brine and Nick Stevenson

8)Complete, comprehensive description of communication content:

Wilson provided an overview of Unite Here's support for the project and that they have worked for many years to bring this forward as part of a coalition of supporters. Luthern, Brine and Stevenson all with Unite Here, spoke additionally about the generational impacts of the lack of affordable housing in Santa Monica and the importance of this project. Guitierrez is with the Climate Action Santa Monica and several other environmental organizations and enumerated the important sustainable elements of the project. They strongly support affordable accomodations and believe that the \$4.3M fee to go to the International Hostel is a great option and in this case it is not necessary to require onsite affordable accomodations. This project is too important.

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