

September 6, 2020

Olga Ruano, City Planning Assistant  
Los Angeles Department of City Planning  
Office of Project Planning  
200 N. Spring Street, Room 621  
Los Angeles, CA 90012

Historic Highland Park Neighborhood Council  
PO Box 50791  
Los Angeles, CA 90050

Re: ADDENDUM to HHPNC Letter - LA City Planning Case File #:  
DIR-2020-3912-TOC-CCMP-VHCA  
Proposed Development by Skya Ventures, LLC at 141 N. Avenue 64 and  
6312-6326 Garvanza Avenue, Los Angeles, CA 90042

Dear Olga Ruano:

The Historic Highland Park Neighborhood Council (HHPNC) represents over 60,000 residents in the Highland Park neighborhood of Northeast Los Angeles, which is among the oldest communities in Los Angeles, existing since the 1880's and becoming annexed to the City of LA in 1895. The HHPNC boundaries include the communities of Highland Park centered around the Figueroa Street and York Boulevard historic commercial corridors, as well as the historic hillside communities of Garvanza, San Pasqual and Arroyo Seco.

The HHPNC would like to submit this addendum to the letter approved by the HHPNC on August 6, 2020 for the Planning Case File # DIR-2020-3912-TOC-CCMP-VHCA, regarding the proposed three-story, 33-unit mixed-use development (Project) by Skya Ventures LLC (Applicant) at the southwest corner location at 141 N. Avenue 64 and 6312-6326 Garvanza Avenue. The proposed project is situated on multiple contiguous lots in the Highland Park-Garvanza Historic Preservation Overlay Zone (HPOZ) near the neighborhood's inarguably busiest intersection of Figueroa Street and York Boulevard, and the gateway to the Garvanza neighborhood.

In light of new information, the HHPNC would like to provide additional points in opposition to this proposed Project, in its current configuration:

## Co-living Building Concept

On August 25, 2020, during the Applicant's initial public consultation with the Highland Park-Garvanza HPOZ board that took place via Zoom, it was publicly stated by multiple attendees that the proposed Project resembles a co-living dormitory style concept, instead of a traditional residential apartment building with commercial space on the ground floor. Co-living tenancy, sold as a real estate product, is a form of communal living in which tenants rent a furnished bedroom in a furnished apartment or house, with shared common areas.

According to the submitted Project Plan, most of the proposed residential units have 5 bedrooms, which is unusual, since most newly constructed residential apartments have a maximum of 3 bedrooms. It's also notable that the 5 bedroom apartments each have 4 or 5 bathrooms, which are either en-suite or attached to a bedroom pair, and all bedrooms are approximately the same size. There is no definitive "Master bedroom" in any of the proposed apartment floor plans, which further indicates that these units are specifically designed for co-living tenancy as opposed to a traditional single or combined familial household occupancy.



Figure 1. 141 N Figueroa St Project Plan Excerpt, pg. 10

## **Applicant's Public Statements Confirming Project as Co-living Facility**

There are multiple sources of media available publicly online that confirm the co-living real estate business model for the Project, and directly by the Project Applicant. In a press interview about the real estate developer's pipeline in July 2020, the Applicant stated that a co-living project in Northeast Los Angeles was currently being entitled with the exact same number of units and bedrooms as this Project, which is 33-units and 151 bedrooms:

*"I have a 92-unit, ground-up development that I'm doing in East Hollywood, close to the nine-unit project I did. We also have a 93-unit apartment building we rehabbed, which was vacant when we bought it, a 60 unit in Northeast Los Angeles that I bought in 2016 and fully renovated, a 33-unit, 151-bed **co-living project I am currently entitling**, a 21-unit ground-up that is almost completed in Northeast Los Angeles, as well as several others in the pipeline."*

- Meet Gelena Skya-Wasserman  
<https://www.voxtur.life/gelena/>

Additionally, in a publicly available podcast entitled 'Square One: Conversations with the Best in Business: Episode 59: Keith and Gelena Wasserman (CEOs of Gelt and Skya Ventures)', published on June 23, 2020, the Project Applicant directly stated:

*"[...] Skya actually has a co-living project that will be coming to LA here shortly. We're in the entitlement phase of it now, but when I think of co-living I think about my user, first and foremost. Who is my customer? What do they look like? I've studied all the data - coincidentally, the average age is actually 33. They are freelancing, and I think about what they would want within the building. So for this particular project we're going to have a podcast room, and it's not because it's cool or it's like the new thing that's in, but because a lot of the renters that would be attracted to this have side projects, or their dabbling with creative things like that. It's going to be 100% furnished, all utilities included. Our average rent is \$1650, so it's fairly affordable. [...]"*

- Square One: Conversations with the Best in Business: Episode 59: Keith and Gelena Wasserman (CEOs of Gelt and Skya Ventures) (30:00 min mark)  
[https://www.podbean.com/media/share/dir-myymw-94456d1?utm\\_campaign=w\\_share\\_ep&utm\\_medium=dlink&utm\\_source=w\\_share](https://www.podbean.com/media/share/dir-myymw-94456d1?utm_campaign=w_share_ep&utm_medium=dlink&utm_source=w_share)

## **Hidden Density of Project's Co-living Concept**

One major issue with the Project's co-living building concept, is that the actual population density of the proposed project is hidden from both the surrounding communities and the city planning process. In a co-living facility, similar to a hotel, private dormitory or Single Room Occupancy building (SRO), the building's management company leases out each bedroom individually, which could then be occupied by 2 or 3 people, sharing a common living room/kitchen area in the 'apartment' with other bedroom tenants.

Consequently, the proposed Project in a co-living, dormitory-style configuration could easily house upwards of 300+ people, which is possibly much greater than is usually calculated for a 33-unit residential project. This could invalidate traffic and parking studies, as well as critical infrastructure planning based on inaccurate density projections for the Project. For example, since there are a whopping 126 proposed bathrooms for 33 residential units, there is a concern that the water and sewage pipeline infrastructure at that location may not be adequately prepared to handle the amount of usage generated by 300+ people as well as guests and staff.

CEQA statute 15332. IN-FILL DEVELOPMENT PROJECTS states:

“Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section. [...]

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

- [https://resources.ca.gov/CNRALegacyFiles/ceqa/docs/2019\\_CEQA\\_Statutes\\_and\\_Guidelines.pdf](https://resources.ca.gov/CNRALegacyFiles/ceqa/docs/2019_CEQA_Statutes_and_Guidelines.pdf)

Furthermore, if the building density is not calculated correctly, there is also a concern that electrical load calculations and applicable fire codes may not be applied to the building in consideration of the accurate projected density of people, putting the lives of the co-living residents at risk in case of a fire event. There are precedents for fires in buildings where fire codes were not properly enforced for the actual density and true usage of the building, including the Ghost Ship Fire in San Francisco, which killed 36 people in 2016.

## **Co-living Bedroom Units vs Affordable Housing**

While proponents of co-living projects might purport that this business model provides a source of affordable housing units, this is a disingenuous mischaracterization. In a co-living real estate concept, like this proposed Project, the bedroom is the actual unit of rental, not the apartment it's located in. However, to the eyes of the City and the public,

the Project would be therefore misrepresenting the apartment as the actual unit of rental. According to the Applicant's aforementioned public statements, the average rent of the Project's co-living rental units (bedrooms) will be around \$1,650/mo. Since the gross majority of the proposed apartments contain 5 bedrooms, that means the average rent for each unit (apartment), as defined by the City and also by the Applicant in the application, would be \$8,250/mo.

Also, it can be argued the co-living business model of offering a furnished bedroom in a furnished building with furnished common areas and all utilities included, is actually functioning more as a hotel, only where rooms can be rented by the month instead of by the night. In general, co-living bedroom units can often be rented on a short-term basis or by the month, in order to add flexibility to the tenant and greater value to the real estate product. If a co-living project like this is allowed to proceed and offers short-term furnished hotel-style bedrooms as its true rental unit, it would fly in direct opposition to the Home Sharing Ordinance (185931) passed by Los Angeles City Council on 12/11/2018, in which one of the explicit and stated intentions is to:

“[...] protect the City's affordable housing stock by continuing to prohibit a property owner from converting a housing unit into a short term rental that is not zoned or authorized for transient use.”

The LA City Home Sharing Ordinance further states:

“[...] short-term rentals in property other than a primary residence create unfavorable consequences, including negative impacts on the residential character of surrounding neighborhoods and increased nuisance activity;

[...] the conversion of long-term housing units to short-term rentals reduces housing stock and contributes to increased rents and decreased availability of affordable housing. In some cases, large numbers of housing units within a building, or even entire buildings, have been effectively converted to short-term rentals.”

- City of Los Angeles Home Sharing Ordinance (185931)  
[https://clkrep.lacity.org/online/docs/2014/14-1635-S2\\_ORD\\_185931\\_07-01-19.pdf](https://clkrep.lacity.org/online/docs/2014/14-1635-S2_ORD_185931_07-01-19.pdf)

The HHPNC maintains that the co-living building project model should be thoughtfully planned and zoned by the City as a new real estate product, and not considered a type of affordable housing development. While co-living projects may have their place, the communities represented by the HHPNC need access to actual affordable housing

units, like apartments or other types of fully contained homes, where single residents as well as families, may experience a dignified privacy in which to live and thrive as an independent household, not an overpriced, glorified hotel room.

### **Co-living Project Impact to Surrounding Neighborhoods**

As housing prices skyrocket and the ‘Affordable Housing Crisis’ rages on, it is clear that the co-living project trend is already underway in Los Angeles, and should be regulated by the City in the same manner of the Home Sharing Ordinance. The co-living real estate product has potentially already manifested in the adjacent district of the Hermon Neighborhood Council, in the newly constructed Monterey Apartments development project at 5933 Monterey Road, Los Angeles, CA 90042, dubbed the ‘Fish Building’ by locals, due to the ‘gill-like’ nature of the building’s exterior facade.

As reported by The Eastsider in June 2020:

*“The Monterey Apartments are unique on the inside as well. The thirteen apartments each have four bedrooms, and each bedroom has its own bathroom. So a single unit is essentially four mini-studios with shared kitchen and living areas. While it could accommodate a family of four, it could also be appropriate for four unrelated adult roommates. The apartments are about 1,500 square feet, and each bedroom is around 300 square feet, [...]”*

- Unusual, Inside & Out: New Hermon apartments make a big blue statement with 50,000 shingles [https://www.theeastsiderla.com/neighborhoods/hermon/unusual-inside-out-new-hermon-apartments-make-a-big-blue-statement-with-50-000-shingles/article\\_00397916-a230-11ea-8f4b-4ffa8648e89b.html](https://www.theeastsiderla.com/neighborhoods/hermon/unusual-inside-out-new-hermon-apartments-make-a-big-blue-statement-with-50-000-shingles/article_00397916-a230-11ea-8f4b-4ffa8648e89b.html)

Without any applicable zoning laws or regulation, the co-living building model will likely proliferate unchecked, and could set a precedent for this type of development. Highland Park and the surrounding Northeast Los Angeles neighborhoods are especially vulnerable, due to the combined impacts of ongoing ‘gentrification’, the existing zoning code, Transit Oriented Communities (TOC) density bonuses, and CA Senate Bill 330, the latter of which now essentially requires the City of LA by state law to approve every legally zoned proposed real estate development project regardless of its impact to the surrounding communities.

### **Historic Preservation Overlay Zone (HPOZ)**

The Highland Park Heritage Trust (HPHT), a local non-profit community organization, submitted a letter to the Highland Park-Garvanza HPOZ board on August 24, 2020, addressing the specific design conditions that the proposed Project is currently violating

of the Highland Park-Garvanza Preservation Plan. The HHPNC strongly supports the position taken by the HPHT, and also urges City Planning to protect the integrity of the HPOZ and its mission to preserve the legacy of what remains of NELA's century old architectural history.

### **Transit Oriented Communities (TOC) Density Bonus**

The Applicant has been approved a Transit Oriented Communities (TOC) density bonus, which is granted if the project site is within a certain distance of two qualifying 'Regular' bus routes, running at <15 min peak intervals. This Project site is designated as qualifying for TOC Tier 1, which provides a 50% density bonus allowing them to build 33 total residential units instead of 22 units, total allowable without the TOC qualification. The HHPNC supports the conclusion presented in the HPHT letter, that the TOC Tier 1 designation appears to be a misclassification, based on the facts and sources presented which demonstrate that neither bus route runs at the required <15 minute intervals, and that the DASH should not qualify as a 'Regular' bus. If the location does not qualify for TOC Tier 1 status, then the project is not entitled to any density benefits conferred by that designation.

In conclusion, the HHPNC strongly requests that the City stipulate a restriction of only one lease per apartment unit for this Project, and prohibit the sub-leasing of each bedroom as a single occupancy tenancy.

Thank you for conducting a rigorous review of this Project proposal on behalf of the Historic Highland Park and Garvanza communities.

Sincerely,

Historic Highland Park Neighborhood Council

Cc:

Los Angeles Council District 14  
Kevin De Leon, CD14 Councilmember-elect  
Highland Park-Garvanza HPOZ Board  
Katie DeBiase, Planning Assistant, Office of Historic Resources, HPOZ  
Lambert Giessinger, Historic Preservation Architect, OHR  
Ken Berstein, Principal City Planner, OHR  
Vincent Bertoni, Director of Planning, City of Los Angeles  
Los Angeles Council District 1  
Nury Martinez, President, Los Angeles City Council

Affordable Housing Commission  
Lincoln Heights Neighborhood Council  
Arroyo Seco Neighborhood Council  
Hermon Neighborhood Council  
Eagle Rock Neighborhood Council  
Glassell Park Neighborhood Council  
Greater Cypress Park Neighborhood Council  
Boyle Heights Neighborhood Council  
LA32 Neighborhood Council

Exhibits:

Vox Article: “Co-living” is the new “having roommates” - with an App; The Rise of Co-living Explained  
Voxtur: “Meet Gelena Skya-Wasserman”  
Podcast transcript excerpt: Square One: Conversations with the Best in Business: Episode 59: Keith and Gelena Wasserman (CEOs of Gelt and Skya Ventures) June 23, 2020  
Livabl.com Article: Mixed-use development with 33 apartments could replace Highland Park parking lot  
Globe St Article: Multifamily Investors Are Heading to Highland Park  
NY Times News Article: “Oakland Will Pay \$32.7 Million to Settle Ghost Ship Fire Lawsuits”  
Highland Park Heritage Trust Letter to HPOZ Board - August 24, 2020  
Excerpt from LA City Home Sharing Ordinance 185931  
The Eastsider Article: “Unusual, Inside & Out: New Hermon apartments make a big blue statement with 50,000 shingles”  
Excerpt (page 10) from Applicant’s Submitted Project Plan  
Excerpts from City of Los Angeles The Transit Oriented Communities Affordable Housing Incentive (TOC) Guidelines