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Superior Court of California
County of Los Angeles

MAY 21 2024

David W. Slayton, Executive Officer/Clerk of Court By: M. Zarate, Deputy

Decision on Verified Petition for Writ of Mandate: Denied

COALITION FOR SAFE COASTAL DEVELOPMENT v. CITY OF LOS ANGELES, and, Real Parties, HOLLYWOOD COMMUNITY HOUSING CORPORATION, VENICE COMMUNITY HOUSING CORPORATION, Case No. 22STCV00162 (Lead); and consolidated with Case No. 22STCV03626

The Los Angeles City Council approved the Venice Dell Project ("the Project") on December 1, 2021 (AR 43) and thereafter, on June 24, 2022, approved amended land use documents for the Project (AR 53).

The proposed Project will demolish an existing parking lot to develop on that site two residential apartment structures that will provide 136 affordable dwelling units (plus four manager units) one block inland from Venice Beach in the City of Los Angeles. For an architectural rendering of the completed Project, see AR 11294, 30034. Further details are provided in the discussion of the various issues.

The City, in 2016, sought proposals from developers to build affordable housing on City-owned properties. AR 287472-92, 287473-4, 271489-91, 28743-4. The proposed Project is a result of that initiative. Real parties entered into agreements with the City to construct the Project and to provide supportive services to residents when the Project is completed. AR 12641-68; 14065-75.

On December 18, 2018, the City to initiate the Project issued an Initial Study and a Notice of Preparation of an EIR for the Project. AR 216-20, 226-316. On September 26, 2019, the Governor signed into law an amendment to the CEQA statute that granted an exemption from CEQA for qualifying projects that provide shelter or supportive housing. AR 14942-44. The statutory exemption is codified as Public Resources Code ("PRC") section 21080.27 (herein "the CEQA Exemption" or "the Exemption").

¹ The land use documents approved for the Project include: an amendment to the Venice Community Plan (from open space to neighborhood commercial); a change in the zoning and height district; specific amendments to the Venice Coastal Zone Specific Plan re setback and height; an amendment to the Venice Local Coastal Program Land Use; waiver of dedication and improvements on abutting streets; and a vesting of Tentative Tract Map (No. 82288) to merge and re-subdivide the property. AR15314-17.

Following the enactment of PRC section 21080.27, the City determined the Project to be exempt from review under the California Environmental Quality Act ("CEQA"), and the City prepared and filed a Notice of Exemption ("NOE") stating that the Project satisfied the criteria of the newly enacted statutory CEQA Exemption.

Petitioner Coalition for Safe Coastal Development filed this action seeking a writ of mandate to set aside the City's subsequent approvals of the Project on the ground that the Project is not eligible for the Exemption and for other reasons. Petitioner Los Indios De San Gabriel, Inc. joined the action with the filing of the First Amended Petition. As used herein, the singular "Petitioner" refers to both petitioners.

The operative Verified Third Amended Petition for Writ of Mandate has 118 pages. The following causes of action are alleged:

- 1. Violation of CEQA (failure to comply with CEQA and to prepare an EIR):
- 2. Violation of the Subdivision Map Act (Gov. Code 66473.5, 66474);
- 3. Abuse of Zoning Discretion (Spot Zoning);
- 4. Violation of Coastal Act and Certified Land Use Plan;
- 5. Violation of Mello Act (Gov. Code 65590) and other Affordable Housing Requirements (Los Angeles Municipal Code 11.5.11);
- 6. Violation of Fair Hearing Constitutional Due Process;
- 7. Section 1983 Actions by State Actors;
- 8. Failure to Conduct AB 52 Consultation re Tribal Cultural Resources;
- 9. Failure to Proceed in accordance with Law in the adoption of the June 2022 General Plan Amendment, Land Use Plan Amendment and Venice Coastal Zone Specific Plan Amendment.

The Court granted respondents' motion for judgment on the pleadings against the sixth cause of action on March 24, 2023. The seventh cause of action was not briefed, and is deemed waived. The ninth cause of action was not separately briefed; it relies on the City's alleged failures in the other causes of action.

The parties stipulated to certain facts in a four-page "Joint Chronology of Events" for events that occurred between May 24, 2016 and September 1, 2022. As stipulated, the dates and record citations for the City's approvals and Notices of Exemption (NOE) filed for the Project are as follows:

On December 1, 2021, the Project was approved by the City Council. AR 372-400, 12291-6, 12318-41. The City filed a NOE on December 10, 2021. AR 6-10.

On June 24, 2022, the City Council approved the General Plan Amendment and Land Use Plan Amendment resolutions, and the updated version of the VCZSP Amendment Ordinance, making them part of the final Project approvals. AR 291499-505. The City filed and posted a CEQA NOE for these actions on September 11, 2022. AR 290596-603.

Many issues alleged in the Petition were raised in a second-level administrative appeal to the City Council which Venice Vision filed on July 22, 2021. (The Coalition's present counsel represented Venice Vision.) The City Planning Department filed a response to the appeal on November 23, 2021. AR 11674-11707. The Court cites to the "Staff Appeal Response" on various issues.

The parties filed extra-long briefs (with leave), because there are so many issues, and then filed supplemental briefs to argue AB 785, which is a 2023 amendment to PRC section 21080.27 (the CEQA Exemption). The Court held hearings and counsel argued the case on February 1 and 9 and March 8 and 11, 2024. Petitioner submitted over 300 pages of power point slides (unsolicited) to illustrate their oral arguments. The Court ordered transcripts of the four hearings and reviewed the transcripts.

THE ELEGIBILITY REQUIREMENTS FOR APPLICATION OF CEQA EXEMPTION

The Los Angeles City Council approved the Venice Dell Project without completing its CEQA review in reliance on a then recently adopted CEQA Exemption. The legislative bill that carried the Exemption to vote was AB 1197 and the Exemption is sometimes referred to as AB 1197. The Exemption, which codified as Public Resources Code section 21080.27, was signed into law on September 26, 2019. The City filed a Notice of Exemption and Justification for Project Exemption on December 10, 2021. AR 6-10.

The statutory CEQA Exemption, Section 21080.27, subd. (b)(1), reads as follows:

This division [CEQA] does not apply to any activity approved by or carried out by the City of Los Angeles in furtherance of providing emergency shelters or supportive housing in the City of Los Angeles.

The CEQA Exemption is localized to apply in the City of Los Angeles and within the City applies only to projects that provide emergency shelters or supportive housing. The Project was adopted to provide supportive housing. The term "supportive housing" is defined in Government Code section 21989.27, subd. (a)(3), reading:

"Supportive housing" means supportive housing, as defined in Section 50675.14 of the Health and Safety Code, that meets the eligibility requirements of Article 11 (commencing with Section 65650 ... of the Government Code ...) and that is funded in whole or in part, by [one of five funding sources including subd. (3)(C) reading]:

(C) Measure H sales tax proceeds approved by the voters at the March 7, 2017, special election in the County of Los Angeles.

The CEQA Exemption has eligibility standards that a project must satisfy to qualify for the Exemption from the CEQA process. The CEQA Exemption incorporates Health & Safety Code Section 50675.14 to define the requirements of "supportive housing." Subd. (b)(2) of Health & Safety Code Section 50675.14 specifies:

"Supportive housing" means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.

Government Code Section 65651(a), which is also an eligibility condition for the CEQA Exemption, contains these specific eligibility requirements:

- (a) Supportive housing shall be a use by right in zones where multifamily and mixed uses are permitted ... if the proposed housing development satisfies all of the following requirements:
- (1) Units within the development are subject to recorded affordability restriction for 55 years.
- (2) One Hundred percent of the units, excluding managers' units, ... are restricted to lower income households and are or will be receiving public funding to ensure affordability of the housing to lower income Californians.
- (3) At least 25 percent of the units ... are restricted to residents in supportive housing who meet criteria of the target population.
- (4) The developer provides the planning agency with the information required by Section 65652.
- (5) Nonresidential floor area shall be used for onsite supportive services...
 - (B) For a development with more than 20 units, at least 3 percent of the total nonresidential floor space shall be provided for onsite supportive services that are limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.

THE PROJECT SATISFIES THE ELEGIBILITY STANDARDS FOR THE CEQA EXEMPTION IN PRC SECTION 21080.27

The determination of whether a project qualifies for a statutory CEQA Exemption presents a question of law. The lead agency has the burden of demonstrating that the project falls within the Exemption and its Exemption determination must be supported by substantial evidence. California Farm Bureau Federation v. California Wildlife Conservation Board (2006) 143 Cal.App.4th 173, 183.

The Venice Dell Project, as approved by the City, was structured to comply with the CEQA Exemption. Petitioner challenges the Project's eligibility for the Exemption on two grounds only, and those two grounds lack merit, as discussed below.

A. THE PROJECT COMPLIES WITH GOV. CODE Section 65651(a)(5) IN PROVIDING AT LEAST 3 PERCENT OF NONRESIDENTIAL FLOOR SPACE FOR SUPPORTIVE SERVICES THAT ARE ONSITE:

Petitioner challenges whether the Project dedicates "at least 3 percent of its total nonresidential floor space to onsite supportive services," as required by Gov. Code Section 65651(a)(5). Op. Br. pp. 28-29; Pt. Reply (to City) pp. 26-29. Counsel devoted considerable time to this issue at the March 8 and 11 hearings, and petitioner's counsel illustrated his argument with 78 slides (Nos. 9-87).

After reviewing the hearing transcript, the slides, and the relevant AR pages, the Court concludes that Petitioner's square footage argument is contradicted by the Project's floor plans in the administrative record. Petitioner's square-footage calculation omits areas that should be counted as "onsite supportive services" using the definition provided in the Conditions of Approval. If all supportive services areas are included in the ratio proposed by Petitioner—total nonresidential floor space divided by supportive services floor space—the Project comfortably exceeds the "at least 3 percent" requirement.

Petitioner in its ratio calculation assumes that the supportive services space is limited to the 685 square feet (see Op. Br., p. 28; slide 89). The Project floor plans define 685 square feet as being for office space to be used to provide case management services. AR 11391. The case management offices, however, are not the only floor space that qualifies as "supportive services."

The City's approvals require the developer to satisfy 15 Conditions of Approval. AR 11698-11707. The Conditions of Approval incorporate (in the preamble) LAMC provisions that require the conditions be satisfied before a building permit (or other land use permit) will issue. LAMC section 16.05C. The Conditions of Approval Nos. 9 and 10 obligate the developer to submit a Supportive Services Plan that includes compliance with the "at least 3 percent" requirement. AR 29759-60. Those two Conditions of Approval in Conditions are quoted below:

- 9. Supportive Services Plan. The applicant shall submit a plan for providing with documentation demonstrating that supportive services will be provided.
- 10. Onsite Supportive Services. At least 3 percent of the total nonresidential floor area shall be provided for onsite supportive services that are limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens. The

project will provide a minimum of 695 square feet of case management services, as provided in Exhibit A.

Therefore, under Condition 10, "nonresidential floor area ... provided for onsite supportive services that "are limited to tenant use includ[es] but [is] not limited to community rooms, case management offices, computer rooms, and community kitchens." Petitioner's calculation omits a large community room, which when counted with the 695 square feet for case management offices, exceeds the "at least 3 percent" minimum. Petitioner also omits laundry rooms within the development that under the Condition 10 definition qualify as supportive services because they are for tenant use only.

The Project comprises two three story buildings (east and west of the Grand Canal). The record contains a floor plan for the uses designated on each of the three floors of the east and west buildings. AR 20556-569. The floor plan for the east building (AR 30046) designates a community room having 1590 square feet (inclusive of a laundry room). Because community rooms are intended to facilitate tenant activities (AR 12658, 12667, 12576), the east building community room is reasonably interpreted to be for tenant use and therefore falls within the definition of supportive services. If the 1590 square feet for this community room with its separately enclosed laundry room is added to numerator of the ratio provided by petitioner (slide 86) the supportive services square footage is 7.2 percent of the total nonresidential floor space, thus satisfying the "at least 3 percent" requirement. Moreover, the floor plans designate laundry rooms to be on the second and third floors of both the east and west building. AR 30043, 30046-47. When the laundry rooms are counted as supportive services, as they should be under Condition of Approval No. 10, the percentage of the supportive floor space would be further increased.

This is not a close question. The west building includes a 58-foot campanile including three levels of nonresidential floor space that is available for tenant use. The building managers, once the Project is completed, will have the opportunity to control and designate the usage for those spaces. Their usage is not likely to be open to the public because the floors will be interior spaces in a private apartment building.

The Conditions of Approval, moreover, provide that the City can approve "minor deviations ... in order to comply with provisions of the Los Angeles Municipal Code or the project conditions." AR 11700. The Qualified Conditions of Approval adds this provision: "The plans shall comply with provisions of the Municipal Code, the subject conditions, and the intent of the subject permit authorization." AR 11698. These provisions allow the City and the developer the flexibility to configure the nonresidential floor space to serve the needs of the residents who will live in this supportive housing project.

* * * *

The parties at the March 8 hearing argued at length about what "under roof" areas should be counted as total nonresidential floor space under provisions of the Los Angeles Municipal Code or different versions of the Uniform Building Code. The Court finds it unnecessary to wade into that subject because the existing floor plans show a use configuration that more than satisfies the "at least 3 percent" requirement. Moreover, the parties—the City, the developer, and a public agency that has promised to provide rent subsidies for "up to" 68 rental units (see Section B below)--may decide to adjust the spaces that provide supportive services. The City is committed to ensure the "at least 3 percent" requirement is maintained, and the City under the Conditions of Approval can approve minor adjustments necessary to the purposes of the Project.

Petitioner also objects that the descriptions that were presented to the City Council did not provide the formula to show "at least 3 percent" of the total nonresidential floor area would be used for supportive services. The Court is satisfied, however, that that calculation may be made from the floor plans that were available for review by the City's decisionmakers. The record is sufficient to show that the Project does and will comply with the "at least 3 percent" requirement in Gov. Code Section 85651(a)(5). AR 11700, 29757.

Substantial evidence supports the City's finding that "at least 3 percent" of the nonresidential floor space of the Project will be used for supportive services to qualify the Project as providing supportive housing.

B. THE VENICE DELL PROJECT COMPLIES WITH THE CEQA EXEMPTION REQUIRING A SPECIFIED FUNDING SOURCE:

The CEQA Exemption requires the project funding be provided, "in whole or in part," from one of five tax-based funding sources. PRC Section 21989.27, subd. (a)(3)(C). The City Council found that the Project will be partially funded from such a source--Measure H sales tax proceeds. AR 1-5, 372-400, 12291-6, 12318-41 (the December 1, 2021 approvals; AR 20596-602 (the June 24, 2022 approvals).

Petitioner challenges this finding on the ground that the Measure H funding will used be for "operating expense" rather than "brick and mortar" construction money. Op. Br. p. 26; Pt. Reply (to City) p.25. Petitioner's argument is misguided if its contention is that a public agency's promise to subsidize rents for supportive public housing is not a "funding source" for construction.

In this case, the Department of Health Services for the County of Los Angeles has committed to provide rent subsidies for up to 68 units when the Project is ready for occupancy. A promise from a public agency to use a dedicated tax

² Petitioner's reply asserts that: "The City's 'finding' that the construction Project was funded by Measure H was an outright lie." Reply, p. 25:14. The Court finds instead that the City's representation is supported by substantial evidence in the record.

source to provide a stream of rental income can be used by a developer to obtain private financing to construct a project, with the construction loan secured by rental guaranty. The public agency's rental guaranty, therefore, is a funding source for the Project.

On February 16, 2018, the Los Angeles County Department of Health Services (DHS) advised the developer, Venice Community Housing Corporation, by letter that it "shall enter" into a contract to provide "an estimated funding amount of up to \$367,200 per year." AR 2350-51. The DHS letter states:

The County intends to provide supportive services for up to 68 homeless DHS patients at the Reese-Davidson Community project. The County shall enter into contract with an approved intensive Case Management Services (CMS) provider at an estimated funding amount of up to \$367,200 per year. [...] Upon receiving the various capital funding commitments necessary to ensure project feasibility, DHS will, through our established funding approval and contracting procedures, engage in contract negotiations with appropriate parties to provide the services and funding described above.

The DHS letter promises that once the Project is ready for occupancy DHS will provide a public subsidy for the payment of rent for up to 68 homeless persons, thus providing of a guaranteed income stream, at "\$367,200 per year" which the developer can use to obtain private financing for the Project's brick and mortar construction. The Commitment Letter confirms the DHS is making a "supportive services commitment" and a rental subsidy "commitment" to the project. AR2350.

The record also establishes that the rent subsidies pledged by DHS will be sourced at least in part from Measure H tax sales proceeds. DHS accounts for over 95 percent of Measure H funding expenditures for services and rental subsidies for permanent supportive housing. The Measure H Schedule of Revenues and Expenditures for the three years 2018 through 2020 are provided as AR 268466, 268349, 268304. Since 95 percent of DHS expenditures comes from Measure H tax receipts, DHS's commitment to "assisting in the development and successful operation of the proposed development" (AR2350) provides substantial evidence that the Exemption funding requirement imposed by Gov. Code 65650, subd. (a)(3)(C) is satisfied.

Petitioner argues independently: "[T]he Letter of Intent in no way showed the Project 'has been awarded funds." Pet. Reply (to City), p. 24. PRC Section 21080.27, subd. (a)(3) does not require that the public funds have been awarded in the sense of being segregated in an escrow account at the time the project is approved—that would be economically inefficient because, as in this case, the DHS rental subsidies would not be needed until the Project is constructed and the supportive units are available to residents. Many projects

require years for completion, even after their approval, and, in that event, the Measure H funds if segregated could not be used for other public purposes. A written commitment by a government agency that controls a dedicated tax source and the responsibility to support public housing is sufficient, as it was here, to gain reliance from a private developer to begin the lengthy and expensive process of obtaining the approvals necessary to construct supportive housing. It is sufficient to satisfy the CEQA Exemption that public funding is promised, from an agency that receives ongoing tax revenues from a source identified in the statute, and, further, that the developer commits to using that source, in whole or part, to finance the construction of the project.

That the DHS has committed to provide long-term and Measure H funding for DHS homeless patients (subsidizing up to 68 units) can be used by the developer in negotiations with lenders (or investors) to obtain funds to finance, at least partially, the construction of Project. The Conditions of Approval that the City Council approved for the Project required the developer to provide "a plan for supportive services, to the satisfaction of Los Angeles' Department of City Planning [to include] ... b. The funding sources or proposed funding sources for the onsite supportive services." AR 1391. Real Party communicated to the City that the DHS had committed to subsidizing up to 68 units once the Project was completed.

When the Conditions of Approval were approved the developer had in hand the DHS Commitment Letter promising funding for supportive services for up to 68 homeless persons, thus guaranteeing that the Project funding would be based, in part, from a Measure H funding source. AR 2350-51. That fact was called "an outright lie" by petitioner (see, fn. 2) but the Court finds there is substantial evidence to support the City's finding that the Project will be funded in part from Measure H tax proceeds. And the City retains the power to ensure that the developer utilizes the Measure H funds through its Conditions of Approval.

The Staff Appeal Response, on this topic, states: "Measure H funds will be used to fund both the Project and supportive services that will be provided on-site." AR 11683. The City will oversee this commitment, as the Staff Appeal Response states:

Prior to the issuance of a building permit, the Department of City Planning will confirm that the project has received clearance for the Housing and Community Investment Department (HCIDLA), or other funding agency, as applicable, to ensure that the project continues to meet the eligibility criteria (i.e. that the award of funds has not been rescinded). AR 11683.

The Staff Appeal Response adds "Additionally, the Applicant will be pursuing funding from the No Place Like Home Program, the City's Housing Impact Trust Fund, and the Building Homes and Jobs Trust Fund, depending on availability."

AR 11684. All of these additional funding sources are approved under PRC section 21080.27, subd. (a)(3).

THE CITY'S APPROVALS COMPLY WITH THE SUBDIVISION MAP ACT

The Subdivision Map Act is codified as Government Code sections 66410-66499.37. Petitioner alleges that the City's approvals did not comply with Government Code section 66474(e). That provision provides:

A legislative body of a city or county shall deny approval of a tentative map ... if it makes any of the following findings: ...

(e) That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

The City found that the Project would not cause "substantial environmental damage" and approved the Project. AR 45-46, 11360. The issue presented, therefore, is whether the City's finding that the Project will not cause "substantial environmental damage" is supported by substantial evidence.

The City's findings recognize that the area under review was built out and urbanized before 1900. The record includes a Historical Aerial Photo Report (prepared by petitioner's expert) that was "designed to assist in evaluating a subject property from past activities" and includes aerial photos of the area of the Project site starting in 1927. AR 928-961. Having in mind that historical context, the City determined did not violate the Subdivision Map Act, saying:

"[T]he Project Site does not contain any natural open spaces, act as a wildlife corridor, contain riparian habitat, wetland habitat, migratory corridors, ... nor possess any areas of significant biological resource value [T]he Department of City Planning determined that the proposed Project is exempt from CEQA pursuant to Assembly Bill 1197. ... Furthermore, the project is subject to compliance with the requirements of the Zoning and Building Code as well as regulatory compliance measures. Therefore, the design of the subdivision would not cause substantial environmental damage or substantially and avoidably injure fish, wildlife, or their habitat." AR 1360.

Real Parties' brief specifies evidence that supports the City's findings that the Project does not pose "substantial economic damage" and therefore complies with the Subdivision Map Act. See, Opp. Br., p. 43. The City found that the Project promotes land use policies that reduce per capita GHG emissions, result in improved air quality and decrease air pollution especially for children and those subject to respiratory diseases. AR 70, 290663. The City also addressed possible health issues arising from flood hazard, finding "actual flooding of the Project site due to sea level rise during the Project's 75-year design life is not

probable." AR 1824. The Real Parties argue that the City's existing ordinances are adequate to manage the impacts from construction activities, the use of powered equipment, and noise/vibration issues. Deputy City Attorney Kathryn Phelan echoed this point, saying that the City's ordinances and procedures are adequate to ensure the Project's construction impacts will not violate the City's building & safety ordinances. (See, Trans. 2/9/24, pp. 65-68.)

Petitioner argues, however, that "[t]he City's Subdivision Map Act Review Violated Law by Failing to Study and Mitigate Even the Most Basic Environmental Issues." Reply Br., p. 33 (all capitalization omitted). The applicable law is contrary.

In Topanga Assn. for a Scenic Community v. County of Los Angeles, (1989) 214 Cal.App.3d 1348, 1357 ("Topanga") the County after conducting a CEQA analysis (for a residential subdivision), issued a negative declaration clearing any environmental objections. Appellants, after dropping their CEQA objections (by not including them in an amended complaint), argued that the Subdivision Map Act required the County to analyze 15 environmental factors identified in the CEQA initial study. Justice Lillie's opinion decisively rejected the appellants' contention (the same contention petitioner makes here):

"In determining the sufficiency of the evidence to support the findings an appellate court must 'determine whether the evidence, viewed in the light most favorable to the respondent, sustains the findings subject to review, resolving any reasonable doubts in favor of the findings....' [] Appellants contend the board's finding of no substantial environmental damage is not supported by the initial study made by the [County] and mentioned in the finding. The contention lacks merit. ... Appellants insist that the 1987 initial study contains 'inaccuracies and misstatements,' as shown by testimony of interested citizens at the public hearings ... and other evidence. This contention amounts to an invitation to reweigh the conflicting evidence before the board. We may not do so. [Citations, interior quotations and fn. 5 omitted.]" Id. at 1357; bolding added.

The point made in Tapanga is clear: a trial court must not reweigh the evidence considered by a legislative body in making favorable findings under the Subdivision Map Act, provided the legislative body's conclusion that the project will not cause "substantial environmental damage" is supported by substantial evidence.

The facts in the instant case repeat Topanga. The City prepared an initial study as part of a CEQA review for the Project, finding 15 environmental factors required further study, but discontinued and did not complete that review once it concluded the Project was exempted from CEQA compliance under newly-enacted PRC section 21080.27. Petitioner, however, argues that even though this Project is CEQA exempted, the Subdivision Map Act requires the City to

evaluate the "potentially significant environmental impacts" that were identified in the CEQA-required initial study for a CEQA review.³ Reply Br., p. 37:23-27. That is the very contention rejected by the Topanga court, as shown above.

Petitioner's last argument is that the City did not comply with the Subdivision Map Act because its findings did not discuss two expert reports that the petitioner submitted to the City. Under the Topanga decision, the City is not required to discuss, or even mention, an objector's expert reports, unless they are sufficient to show the Project could cause substantial environmental damage. Petitioner's expert reports do not support a conclusion that the Project will cause substantial environmental damage.

Petitioner submitted two expert reports: (1) a report on greenhouse gas emissions prepared by Swape Consultants dated October 19, 2020 (AR 915-926); and (2) a report on construction noise and vibration prepared by RK Engineering Group dated November 1, 2021 (AR 269870-269901). The Swape Report focuses on greenhouse gas emissions that may occur during the Project construction, and the RK Engineering Report focuses on the noise and vibration that may occur during the Project construction, with each report assuming that the impacts will exceed the tolerances in the City's existing ordinances.4 The City did not respond to either report because it reasonably concluded that its procedures for monitoring construction sites will be adequate to monitor and limit impacts that may occur during the construction phase. The City has ordinances that are enforced at construction sites by the City's building inspectors to control the environmental impacts caused by building construction. Petitioner's expert reports, given their facial assumptions that the City's building and safety ordinances will be inadequate, do not offer substantial evidence that the Project's construction will cause substantial environmental damage.

The Topanga decision held that the City need not publicly evaluate various reports and comments that are not sufficient to raise the specter of substantial environmental damage. Id. at 1360. Among other reasons, the Topanga decision noted that progress can be paralyzed by experts hired to find flaws in a project's environmental documentation. Ibid. Here, there is a further reason to give deference to the City's findings that the Project complies with the Subdivision Map Act. This is a project the Legislature chose to exempt from CEQA review because it serves a critical public need: creating new supportive and affordable housing. As noted in North Coast Rivers Alliance v. Westlands Water Dist. (2014), 227 Cal.App.4th 832, 850, "as to each statutory exemption,

³ The Topanga decision held, relying on an Attorney General opinion, that the term "substantial environmental damage" means the same as the CEQA standard of "a substantial, or potentially substantial, adverse change in the environment." 213 Cal.App.3d, supra, 1356, fn. 3.

The findings in petitioner's two expert reports are described in the Opening Brief at pp. 39-41.

the Legislature had determined that the exemption promoted an interest important enough to justify foregoing CEQA compliance."

The Court finds that the City's determination that this Project complies with the Subdivision Map Act is supported by substantial evidence.

TRIBAL CONSULTATION WAS PROPERLY TERMINATED WHEN THE PROJECT WAS EXEMPTED FROM CEQA REVIEW

The City in its Initial Study listed "tribal cultural resources" as a "potentially significant" environmental factor requiring further study for significance and possible mitigation. AR 232. Moreover, the recently enacted AB 52, codified as PRC 21080.3.21, subd. (d), requires a lead agency to consult about a site-specific development with any California Native American tribe that is traditionally and culturally affiliated with the geographic area that includes the site of the proposed project. The parties are to consult about appropriate investigation and mitigation measures.

The Gabrieleno Band of Mission Indians-Kish Nation requested that the City enter into the consultation process. In their communications the Gabrieleno Band ("the Tribe") established the Project site was in a sensitive area because the immediate coastal area "once had many [indigenous] permanent villages" and was "part of an extensive trade route that runs throughout Southern California." The evidence of historical occupation in the coastal zone submitted by the Tribe was extensive. AR 178111. The Tribe proposed mitigation measures. AR 178116-17.

On June 15, 2020, the City advised the Tribe that because the City had determined that the Project was exempted from CEQA review, the City would no longer continue the tribal consultations. AR 185549-50.

Petitioners object because the City ended the tribal consultation. However, the consultations were no longer required under CEQA because the city determined the Project to be exempted from CEQA under newly-enacted PRC section 21080.27. The City's withdrawal was not intended to slight to the Tribe or petitioner Los Indios, but rather a decision to act consistently with the Legislature's enactment of a statutory exemption of CEQA for the building of shelter or supportive housing.

Petitioners argue that AB 52 still requires tribal consultation. (AB 52 extended earlier legislation known as SB 18.) AB 52, however, does not apply to charter cities and therefore does not apply to Los Angeles. Petitioners argue that the last sentence of AB 52 is triggered because the City's approvals for the Project amended the General Plan. However, if the amendment is for a project for which the CEQA exemption applies, the Exemption logically covers the General Plan amendment adopted for the Project that is expressly covered by the Exemption.

The City's present ordinances require that protection measures be put in place if indigenous artifacts are found in construction on the Project site.

THE PROJECT DOES NOT VIOLATE THE MELLO ACT

The Petition alleges that the Project violates the Mello Act, Government Code sections 65590-65590.1. (Third Am. Pet., 5th cause of action.)

The Mello Act imposes conditions on the demolition of dwelling units "occupied by persons and families of low income" in the coastal zone. It requires that such units be replaced "with units for persons or families of low or moderate income" on the same site "or elsewhere within the coastal zone if feasible." Government Code section 65590, subd. (b) is the operative provision:

(b) The conversion or demolition of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, shall not be authorized unless provision has been made for the replacement of those dwelling units with units for persons and families of low or moderate income.... The replacement dwelling units shall be located on the site of the converted or demolished structure or elsewhere within the coastal zone if feasible....

Petitioner argues the approvals for the Project violate the Mello Act because "the existing 4-family residential structure is proposed to be demolished for nonresidential land uses." Op. Br. p. 16:8-11. Petitioner's argument, in context, is that a project that replaces (or increases) the number of affordable units on a site where existing units are demolished is prohibited if the development includes any commercial uses. That argument makes no sense on an economic or policy basis: it would mean that an underutilized site cannot be upgraded if the new development included, in addition to replacing (or increasing) affordable housing, complementary commercial uses. The Mello Act does not require that result.

DISCUSSION:

The Project involves the demolition of an existing parking lot including a 4-unit apartment structure and their replacement with two multi-unit residential apartment blocks wrapped around a multi-level parking structure on either side of the Grand Canal. For an architectural rendering of the completed Project, see AR 11294, 30034.

The Project site is an asphalt parking lot located in the coastal zone, one block from Venice Beach. The parking lot is bisected by a shallow water (AR 11681) extension of the Grand Canal. Situated on the parking lot is a four-unit apartment structure occupied by "persons and families of low income." AR 11288, 11316 (marked aerial photos). The construction of the 140-unit Project

will cover the entire parking lot and require the demolition of the existing 4-unit apartment structure. Once the existing structure is demolished the entire parking lot will comprise 2.65 acres, free of any obstructions except for the Grand Canal and a concrete bridge across the Grand Canal over which vehicles can traverse. (The bridge and Grand Canal are registered historic structures. The Project does not disturb the Grand Canal, and the bridge will be reserved for pedestrian use.) The parking lot and the 4-unit apartment house are owned by the City.

The 2.65 acre parking lot, if subdivided, would contain 40 standard-sized lots, with the 4-unit apartment structure occupying two of those lots. AR30035, 11364. There will be a 3-story apartment building on each side of the Grand Canal. The building east of the Grand Canal will be the larger with 67,800 square feet. The west building, closest to the beach, will have 36,157 square feet. Each building will wrap around multi-level garage structures that will provide resident, commercial and public parking.

Together the two buildings will have 103,957 square feet of floor space. The buildings will have 140 units--136 income restricted dwelling units and four manager units. (68 of the units will be subsidized by DHS as supportive housing. See above pp. 7-9.) There is to be 685 square feet of supportive office space, 2,255 square feet for retail uses, 810 square feet for restaurant use with 1,060 square feet for indoor/outdoor dining, and 2,875 square feet of art studio or gallery space. The location of the retail, arts studio and restaurant is shown in the diagram at AR 11290.

The apartment units in each building are on the perimeter and will surround a multi-level parking structure. The multi-level garages will be owned and operated by the City. The presently existing surface parking lot has 196 parking spaces. The new multi-level parking structures will provide a total of 357 parking spaces. There will be 105 spaces for residential and commercial parking located in the building on the west side of the Grand Canal, and 252 spaces for replacement and beach access public parking located in the building on the east side of the Grand Canal. A diagram of the parking garages and the perimeter residential units is provided at AR 11291and 11293.

Petitioner argues that the approvals for the Project violate the Mello Act because the Project will include minor commercial uses. Petitioner relies upon a narrow reading of Gov. Code Section 65590, subd. (a):

(a) The conversion or demolition of any residential structure for purposes of a nonresidential use which is not coastal dependent ... shall not be authorized unless the local government has first determined that a residential use is no longer feasible in that location.

Petitioner relies too on similar language in Gov. Code Section 65590, subd. (c). (second sentence), reading:

(c) The conversion or demolition of any residential structure for purposes of a nonresidential use which is not "coastal dependent," as defined in 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. If a local government makes this determination and authorizes the conversion or demolition of the residential structure, it shall require replacement of any dwelling units occupied by persons and families of low or moderate income pursuant to the applicable provisions of subdivision (b).

The two provisions on which Petitioner relies are obviously not applicable because the City Council did not determine "that a residential use is no longer feasible in that location." The City Council determined the opposite: that an increase in residential use is feasible and needed at that location.

The City approved the demolition of the existing apartment building for a residential project, namely for a residential use that will increase the number of affordable units from four to 136 units (not counting the four manager units). It is beyond dispute that the City's purpose was to expand the affordable residential use on the site. The City in approving the Project on June 24, 2022 made express findings that their purpose was to increase the affordable housing stock in the Venice area. AR 60, 65, 67-68, 12651.

Petitioner's main argument is that the Mello Act does not allow a developer to replace the number of affordable units in the coastal zone, when existing affordable units are demolished, if the development includes any commercial uses. Petitioner is mistaken: the Mello Act does not say that. The Mello Act provides that before affordable housing in the coastal zone is to be demolished and not replaced on that site, the approving agency must find that replacing the affordable housing is not feasible. Here the City has determined that affordable housing is feasible, and, in fact, would increase the affordable housing more than thirty-fold. Provided that affordable housing that will be demolished is replaced, the Mello Act does not say anything to forbid a development that includes compatible commercial uses.

To argue otherwise would limit the opportunities to re-develop sites in the coastal zone where the number of low-income housing units would be replaced or increased. Compatible commercial uses may feasibly co-exist with replacement low-income housing and, in some cases, provide an economic catalyst to redevelop the property to increase the stock of low-income housing. The Mello Act does not prohibit a market solution that would include the replacement of affordable housing plus the inclusion of compatible commercial uses. Whether the commercial uses are compatible or desirable to co-exist with

a redevelopment to replace (or increase) low-income housing should be left to the judgment of the approving local agency on a case-by-case basis.

Illogically for petitioner's argument, the existing parking lot engages in a commercial activity—renting parking spaces—and so will the new development. The fact that the Project is preserving commercially-priced beach parking while expanding affordable housing on the Project site demonstrates that the Mello Act is not reasonably construed to preclude the inclusion of compatible commercial uses in a residential development that replaces affordable housing in the coastal zone.

* * * *

Petitioner, secondarily, argues that the City staff's oversight in failing to complete an internal office procedure to ensure staff evaluation of Mello Act issues requires the Court to void the City's approvals of the Project. (Op. Br., pp. 16-17; Reply (to Real Party), pp. 8-12.) A quarter of a century ago an appellate court reversed the City's approval of the demolition of a three-unit residential structure on the Venice boardwalk that was to be replaced by commercial uses. Venice Town Council, Inc. v. City of Los Angeles (1996) 47 Cal.App.4th 1547. The parties in that action entered into a settlement agreement pursuant to which the City adopted a check list to be used by the planning staff to determine if a proposed project to demolish affordable housing in the coastal zone complied with the Mello Act. AR 14581. The check list that the parties developed is known as the Interim Administrative Procedures ("IAP").

Petitioner complains that City staff in processing Real Party's application skipped the first three questions in the IPA worksheet. The IPA worksheet is not included in the AR. Petitioner asks that the Court take judicial notice of it. Pet. RJN at D-11. The Court takes judicial notice of the settlement agreement (Exh. C) and the IPA policies (Exh. D). Questions 1, 2 and 3 on the IPA worksheet are:

Question #1. Will Residential Structures Be Demolished or Converted for Purposes of a Non-Residential Use?

Question # 2. Is the Proposed Non-Residential Use Coastal Dependent?

Question #3. Is a Residential Use Feasible at this Location?

Whether the City staff skipped the first, second and third questions on the IPA worksheet is legally immaterial. The issue is whether the City violated the Mello Act in approving the Project. It did not because the contemplated demolishment of the four-unit apartment house on the Project site is not for nonresidential purposes. Questions ## 1-3 all assume that residential structures will be replaced with a nonresidential use. That is not the case here. The City's failure to complete the IPA worksheet does not require a separate analysis. The IPA worksheet is supposed to assist the City staff to evaluate an application for a

building permit that would demolish low income dwellings in the coastal zone and its interpretation must be consistent with that purpose. The IPA, furthermore, is not a procedure that the City has adopted as an ordinance. The City Council, if it approves a project that would demolish affordable housing in the coastal zone, is not required to make special findings or take additional actions if the City staff failed to answer Questions ## 1-3 on the IPA worksheet.

The appellate decision leading to the adoption of the IPA, moreover, had different facts. In the Venice Town Council decision the staff okayed the demolition of affordable units that would not be replaced with housing. In this case, the demolition of the existing four-unit building is planned to be replaced with 140 housing units. The City staff may have reasonably concluded that the first three questions on the IPA worksheet did not apply and for that reason didn't answer them. That the staff did not answer several questions on a form does not render their processing of the applicant's request illegal.

The City Council's finding that the Project did not violate the Mello Act is correct and supported by substantial evidence. Kalnel Gardens LLC v. City of Los Angeles (2016) 3 Cal.app.5th 927, 937-38. The standard of review for this issue is deferential. "[T]he reviewing court must resolve reasonable doubts in favor of the administrative finding and determination." Serra Club v. County of Napa (2004) 121 Cal. App.4th 1490, 1497.

THE PROJECT DOES NOT VIOLATE MUNICIPAL CODE SEC. 11.5.11

Petitioner argues that under LAMC section 11.5.11 the eligibility of the Project pivots on this minor question: whether one unit in the apartment building that is to be demolished has three bedrooms.

The existence of a three-bedroom unit, petitioner argues, challenges the eligibility of the Project because the floor plans that Real Parties submitted to the City Council for the Project does not replace the three-bedroom unit that will be demolished to permit the construction of the 140-unit Project.

The parties spent considerable time arguing the significance of the fact that the floor plans the developer submitted to the City Council do not include a three-bedroom unit. (See 3/11/24 trans., pp. 15-33; Op. Br., pp. 18-21; Reply (to Real Party), pp. 12-16.) The City and Real Party concede there is evidence (a tenant declaration submitted by the petitioner) that that his unit has three, rather than two, bedrooms. The City and Real Party argue this is a non-issue because the Q Conditions of Approval will require the City to enforce LAMC section 11.5.11 (AR 29836) by having the developer build out at least one unit in the Project with three bedrooms. Further authority permitting "minor deviations" to comply with the Los Angeles Municipal Code is found in the Conditions of Approval. AR29852. The developer has formally agreed to reconfigure one unit to have three bedrooms, and the developer has submitted floor plans for the Project to

the Coastal Commission (which must independently approve the Project) to include a three-bedroom unit. (3/11/24 trans., p 25.)

On November 2, 2021, petitioner's counsel brought to the attention of the City Council's Planning and Land Use Management ("PLUM") committee in a lengthy letter covering many topics a contention that the Project did not comply with section 11.5.11 because one unit in the apartment building scheduled for demolition had three bedrooms. AR 67391-93. LAMC section 11.5.11 imposes conditions on developments (for 10 or more units) that are seeking plan amendments, zone changes or height variances, as does this Project. LAMC section 11.5.11 contains in the middle of subdivision (a) this sentence:

All Projects qualifying for development bonuses pursuant to this Section shall be required to meet any applicable replacement requirements of California Government Code Section 65915(c)(3).

The referenced Government Code section 65915(c)(3), defines that requirement as follows (bolding added):

- (3)(A) An applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the housing development is proposed on any property ... on which rental dwelling unis are ... occupied by lower or very low income households, unless the proposed housing development replaces those units ...
- B...[T]he proposed housing development shall provide at least the same number of units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy
- D ... "equivalent size" means the replacement units contain at least the same total number of bedrooms as the units being replaced.

DISCUSSION:

The City offered an interesting interpretation of the "equivalent size" requirement in Government Code section 65915(c)(3)(D). (3/11/24 trans., p. 22.)

The City's attorney, saying the purpose of the statute is to preserve the number of bedrooms offered in affordable housing, argued that the developer was replacing four units having a total of nine bedrooms with 140 units having a total of 280 bedrooms. The bedrooms in the replacement units vastly outnumber the bedrooms that would be lost when the 4-unit apartment building is demolished. That interpretation fails, however, because section 65915(c)(3)(B) states the developer is required to replace "the same number of units of equivalent size" for affordable housing. The requirement that there be

"the same number of units of equivalent size" establishes a definition that supports petitioner's argument that at least one unit in the Project is required to have three bedrooms to satisfy sections 65915(c(3)(B) and (D).

The record shows that the City attempted to obtain the unit size information from the tenants in the 4-unit apartment building. Although the City posted notice on the building, and eventually mailed requests to the proper addresses, it was unsuccessful in obtaining responses from all the tenants. AR 211982-86. However, it cannot be argued that the City ignored its obligations to get the information that it specific to LAMC 11.5.11, although its efforts were not successful to obtain the data needed under LAMC 11.5.11.

The floor plans submitted by the developer did not identify a three-bedroom apartment, although those floor plans considering their layout of 140 two-bedroom units, certainly can be modified to include at least one three-bedroom unit. Petitioner does not argue that the Project could not accommodate that modification.

The City when it approved the Project imposed Conditions of Approval that required compliance with LAMC 11.5.11 before a building permit would issue. Qualified Condition of Approval 2 requires that "[p]rior to the issuance of a building permit, [the Project] shall submit proof of compliance with the Affordable Housing provisions of section 11.5.11 to the satisfaction of the Department of City Planning." AR 29836. The Conditions of Approval 1 provides authority for the developer for the developer to make "minor adjustments" in plans "to comply with the provisions of the Los Angeles Municipal Code or the project conditions." AR29759. The City's interest in approving the Project is to increase the number of affordable units and particularly for the unhoused in the Venice area. AR 60, 62, 65, 67-68. The City is required by the Conditions of Approval granted already to permit the developer to amend its plans to include a three-bedroom unit. The Court finds no violation of LAMC section 11.5.11.

The City Council, further, did not fail to proceed in a manner required by law in approving the Project. To the extent that the Project omitted a finding required by Government Code sections 65915(c(3)(B) and (D) the City Council adopted conditions to assure that the developer would comply with section 11.5.11 before a building permit would be issued for the Project. That is sufficient for this minor issue.

THE ZONE CHANGES FOR THE PROJECT ARE NOT ILLEGAL "SPOT ZONING"

Petitioner alleges that the City engaged in "illegal" spot zoning in approving general plan amendments and zoning upgrades for the Project. (Third Am. Pet., 3rd cause of action.)

Spot zoning may occur when a land parcel is rezoned to have either greater or fewer restrictions than the surrounding parcels. For example, in Foothill

Communities Coalition v. County of Orange (2014) 222 Cal.App.4th 1302, 1307, 1311-12, the court found that property that was rezoned for a senior living facility created an island in the middle of properties with more restrictive zoning; and, importantly, that the rezoning not in the public interest. The court explained: "[S]pot zoning may or may not be impermissible '[T]he rezoning ordinance may be justified, however, if a substantial public need exists'" Id. at 1314. Our courts have not required an area that is rezoned for a permissible purpose must be larger than a minimum size; and courts may analyze the rezoned parcel as justified by its planned future use. See, Westsiders Opposed to Overdevelopment v. City of Los Angeles (2018) 27 Cal.app.5th 1079.

The zoning for the Project site was changed from open space and residential (OS-RD 1.5) to permit greater density and the limited commercial envisioned for the development. The ordinance adopting new zoning for the Project parcels is provided in the administrative record at AR 47-51.

Petitioner is not clear as to which particular features of the proposed Project are shown by evidence in the record to grant the Project greater liberties to the detriment of the surrounding areas. The Petitioner alleges the Project's architectural features will differentiate it from housing in the neighborhood (see Third Am. Pet. para. 146), but then in oral argument petitioner focused on the inclusion of minimal commercial uses in the design of the Project. There is no record support an argument that the design features impermissibly benefit the Project residents in comparison to the nearby residents. The architectural features are tailored to Project. The modification of the setback requirements are appropriate given the size and location of the Project's two buildings and their frontage on an extension of the Grand Canal. As to the ground level commercial uses, the Project site is in a dense residential area, close to the Venice boardwalk. Cafes and small retail stores exist already in the area to service the resident and visitor populations. The Court, in short, does not find the City's approvals for the Project create a "spot zone" to the detriment of nearby residents.

The City Council, in any event, found that the Project to serve the public interest in mitigating a critical need for affordable housing in the Venice area of the City. The Project because it has been conceived and determined by the City to mitigate a significant deficiency in affordable housing (AR 60-68, 12651) will not be found to constitute an illegal spot zone.

THE COASTAL ACT PROVIDES NO BASIS TO DELAY CONSIDERATION OF PETITIONERS' CLAIMS IN THE THIRD AMENDED PETITION

The Project is in a dual jurisdiction zone, with the Coastal Commission having jurisdiction to approve the Land Use Plan and issue a Coastal Development Permit. The Court has previously ruled that the Coastal Commission review

including on appeals is not ripe. See 3/24/23 order and notice of ruling by Real Party on 3/29/23.

THE 2023 AMENDMENT TO PRC SECTION 21080.27 (AB 785) IS PROSPECTIVE IN APPLICATION

The CEQA Exemption, PRC section 21080.27, was amended in 2023 (effective January 1, 2024) by AB 785. Real Parties called the amendment to the attention of the Court in an ex parte application filed in January 2024. The Court ordered supplemental briefing to consider whether the amendment was applicable to the Project and, if so, whether it should be applied retroactively to the City Council's approvals of the Project made on December 1, 2021 and June 24, 2022. The Court has reviewed the supplemental briefs, heard argument on March 8, 2024, and read the transcript from the argument.

Petitioner argues that the 2023 amendment applies to the Project and that the Court should further analyze the record to ensure that the City's findings comply with the criteria provided in this new amendment for supportive housing. The Court itself is not authorized to reweigh the evidence, see e.g. Topanga, supra, at 1357, and, therefore, the petitioner's argument, if accepted, would require that the Project be returned to the City for further action. The Court concludes that the 2023 amendment is not to be applied retroactively and that, thus, further review of the sufficiency of the findings in light of the 2023 amendment is unnecessary.

The 2023 amendment does not provide itself that it will be given retroactive effect. Case law recommends that new CEQA legislation be given prospective effect. The related policies of fairness to, and finality of, the City Council's determinations require a later amendment not be used to disturb the City's approvals of the Project on December 1, 2021 and June 24, 2022. In Residents Ad Hoc Stadium Com. v. Board of Trustees (1979) 89 Cal.App.3d 274, after a project was approved, a CEQA amendment required that such approvals contain written findings. The appellate court rejected a challenge that a requirement of findings should be imposed:

The Trustees' failure to make findings was consistent with existing law. (see, citation omitted; Cal. Const., art. IV, section 8, subd (c).) As section 21081 [the amendment] by its terms does not provide for retroactive application, it may only be considered prospectively. Id. at 282.

Giving finality to the City Council's approvals from several years ago is particularly important when, as in this case, the City has taken action to approve the Project to obtain supportive and affordable housing because it recognizes a social need to provide housing for targeted populations.

CONCLUSION

The Court finds the Project is statutorily exempt from CEQA review. The Project fulfills the requirements specified in PRC 21080.27 without exceptions. Statutory exemptions are absolute and commanding on the agencies reviewing a project. The various other causes of action alleged by Petitioner—failures by the City to comply with the Subdivision Map Act, the Mello Act, LAMC 11.5.11, Spot Zoning prohibitions, and plan and vesting requirements—have been reviewed and are rejected.

The Court denies petitioner's applications for relief under the Verified Amended Third Petition and grants judgment for respondent City of Los Angeles and for the Real Parties on all causes of action. The Court directs the City or Real Parties to submit proposed rulings and a judgment based on this Statement within five court days.

DATED: May 21, 2024

RICHARD L. FRUIN, JR.
Superior Court of California
County of Los Angeles