

3545 Pasadena Ave Site Analysis

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PPD 625

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## Physical Description

The site is located along the 110 Freeway in Cypress Park, about three miles northeast of downtown Los Angeles, between the neighborhoods of Cypress Park to the Northwest, Lincoln Heights to the South, and Montecito Heights to the Northeast. The lot, 43,634 sqft., is currently used as a surface parking lot for the Heritage Square Metro Station. The site, the rail line, and the freeway all lie in a narrow valley between Mount Washington to the northwest and the Montecito hills to the east, both rising about 400 feet above the valley floor (Outside Interactive, Inc. and Trailbehind Inc., 2026).

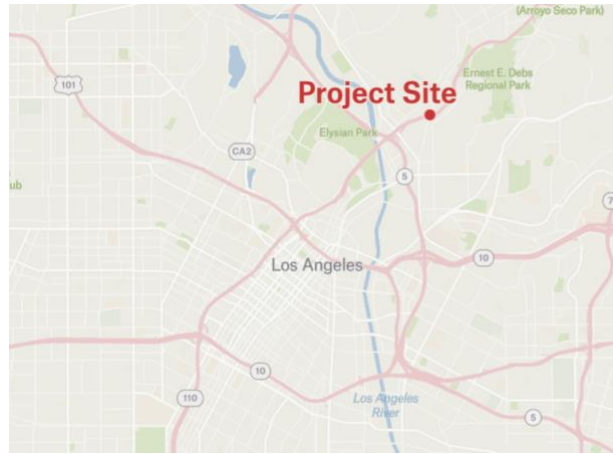


Figure 1. Map showing project site in regional context.

## Neighborhood Characteristics

In evaluating Joint Development (JD) project proposals, Metro uses a 15-minute walkshed from the site to define its “Neighborhood AMI” that guides its development guidelines (Metro, 2025). In alignment with that standard, this analysis will use the same 15-minute walkshed to discuss the “neighborhood”, but the consequences of setting the threshold at 15 minutes are worth noting briefly. The median household income of the 5-minute walkshed is \$53,725 (ACS, 2024; Social Explorer, 2026). Extending the radius to 15 minutes raises median income to \$62,386, as pieces of the higher-income Mount Washington and Montecito Hills neighborhoods, adjacent to the North and East, are included (ACS, 2024; Social Explorer, 2026). That is to say, the area in the immediate vicinity of the site is somewhat poorer on average than the surrounding area that’s included in the definition of ‘neighborhood’ used here.

Most housing units in the neighborhood are single-family homes (51.5% of units), with some duplexes and small multifamily developments sprinkled in. It’s a working-class (MHI \$62,386), largely Hispanic (63%) neighborhood (ACS, 2024; Social Explorer, 2026). There are two elementary schools, a middle school, and a charter high school within the 15-minute walkshed (see map on p.3). The site is two blocks from Figueroa St., the main thoroughfare in the neighborhood, which hosts a sparse commercial district between Cypress Ave and 37<sup>th</sup> (LA Dept. of City Planning, n.d.a). The neighborhood notably lacks a grocery store, though the larger commercial strips in the area in Lincoln Heights on N. Broadway and in Cypress Park along Cypress Ave both have one (Google, LLC, 2026). These areas are both roughly 20 minutes’ walk from the site (Social Explorer, 2026).

## Market Analysis

Despite its proximity to downtown, this little corner of Northeast Los Angeles remains largely underdeveloped. Data from Costar indicate that most of the development activity in

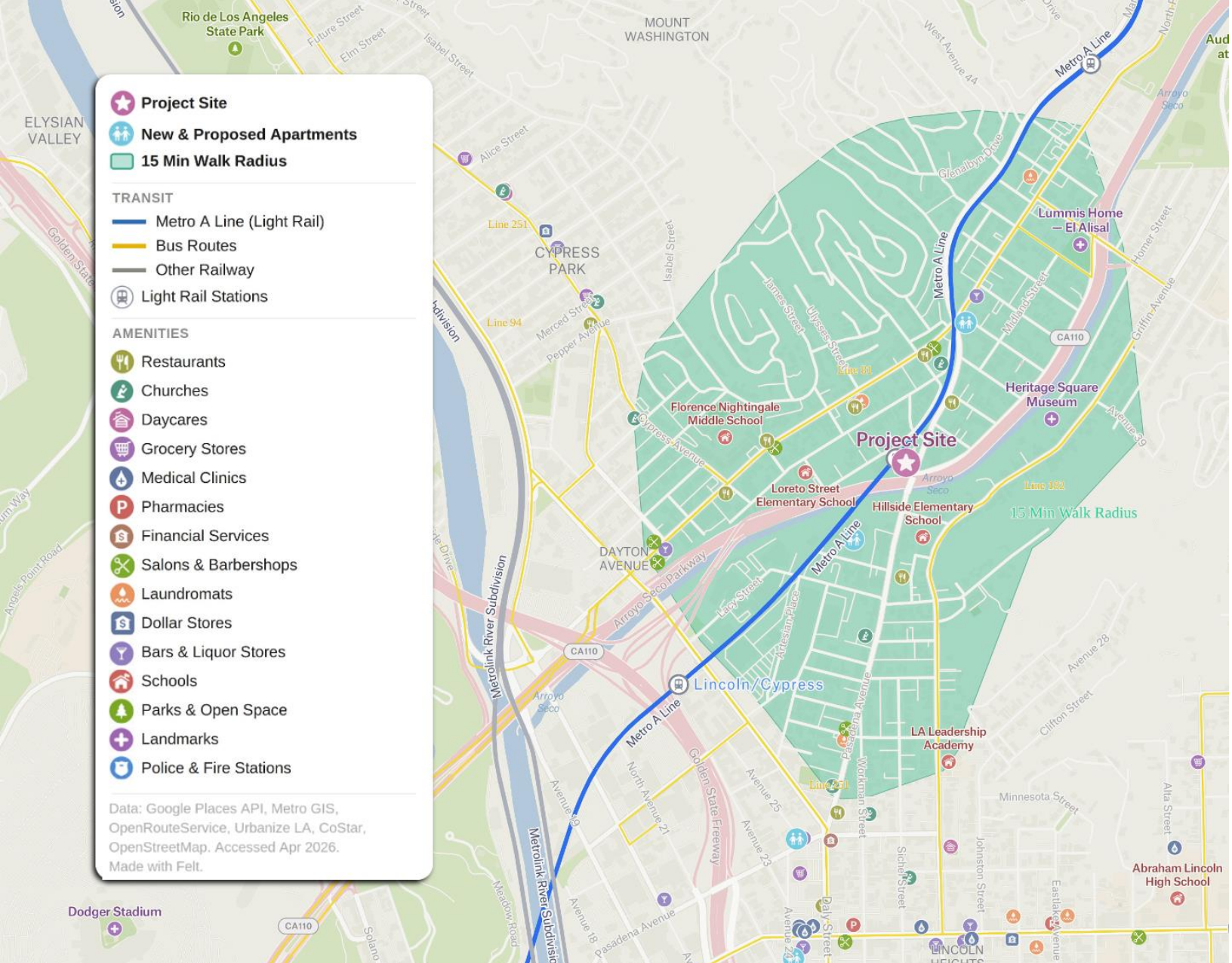


Figure 2. Neighborhood map showing the project site, transit assets, and neighborhood amenities.

the area is occurring in the Sunset corridor in Echo Park and Silver Lake, with additional activity to the north in the Elysian Valley (Costar, 2026). Perhaps due to its relative lack of development, the housing market in the neighborhood is incredibly tight. ACS data from 2024 indicate a rental vacancy rate of <1% and zero homes for sale across more than 4100 units in both markets combined (ACS, 2024; Social Explorer, 2026). Despite this market pressure toward densification, single-level construction dominates the landscape, providing significant opportunity for redevelopment.

The market is beginning to capitalize on this opportunity. Just across the freeway to the south, the 468-unit Avenue 34 mixed-use development is currently under construction (Sharp, 2025); two blocks over at 3555 Figueroa, Sharpwise, Ltd. is slated to begin construction on a 5 story, 55-unit project in 2026 (Giordani et al, 2024); and 2 blocks north at the intersection of Pasadena Ave. and Figueroa St., the Belvedere, a 100 unit apartment complex atop 15,000 sqft. of commercial space, is still in preconstruction (Sharp, 2024). All of these projects set aside dedicated affordable units to enable use of transit-oriented

communities incentives to increase density beyond what the underlying zoning would allow (Sharp, 2019; Sharp, 2024; Sharp, 2025).

### **Metro Objectives**

Metro’s Joint Development program states its purpose as “Create high-quality homes, jobs, and places near transit for those who need them most, as soon as possible”, and enumerates its priorities and policies in the periodically updated Metro Joint Development Policy (LA County Metropolitan Transportation Authority (Metro), 2025). In selecting opportunities for joint development (JD), Metro prioritizes projects that provide 100% affordable units. If that is deemed infeasible, at least 25% of units are required to be affordable for renters at less than 80% AMI (Metro, 2025). Metro prioritizes projects that enable residents to drive less, seeking connections not only with the Metro rail system, but buses and micro- and shared-mobility transit resources (Metro, 2025). In pursuit of this goal, Metro also caps the number of parking spaces for residential uses in JD projects at .5 spaces per bedroom (Metro, 2025).

In prioritizing sites for JD development, Metro lists five criteria:

1. Neighborhood Stabilization—projects in areas with high risk of displacement, where additional units in the local market can help limit that dynamic
2. Equity Focus Communities—Metro has a list of historically under-invested communities
3. Access to Opportunities—projects that put income-restricted units in proximity to resources for opportunity
4. Streamlining—projects that deliver units quickly and without public subsidy
5. Maximizing impact—projects that leverage limited resources to provide greatest public benefit

The Heritage Square site is well positioned to deliver on each of these priorities. As noted above, the neighborhood faces an extraordinarily tight housing market, a long-established driver of displacement (Grier & Grier, 1978), positioning the project to deliver on Metro’s neighborhood stabilization goal. The site, along with its adjacent Cypress Park and Lincoln Heights neighborhoods, is in a Metro Equity Focus Community. Heritage Square’s proximity to employment centers in DTLA, Highland Park, and Pasadena will allow the project to enable access to opportunity for the residents of its income-restricted units. Finally, the high demand for housing in the area will allow the market-rate units in the development to more generously cross subsidize the affordable units in the district and eliminate the need for public subsidy, minimizing the impact on Metro’s resources and maximizing the impact toward its goals.

### **Community Engagement**

Metro ran a community engagement process to gauge community interest and see what neighbors wanted done with the site. Overall, residents are most concerned that the site provide affordable housing units and contribute to a sense of safety in the neighborhood (Metro, 2025). When asked about their priorities for the commercial space in a potential

mixed-use development, residents wanted places to eat and drink and community common spaces (Metro, 2025).

Metro did not ask about support for the project overall in their survey, but it's worth noting that elements of community in northeast Los Angeles have effectively mobilized against development in the area, posing risks to future developers. In 2024, Xebec, an industrial developer, sought to use a site immediately across the freeway to the South to build a 57,000sqft warehouse for e-commerce distribution (Macias Jr., 2024). Community members mobilized against the project and enlisted Eunisses Hernandez, their City Council Member. Hernandez pushed an ordinance through that implemented stricter regulations on warehouses within the Cornfield Arroyo Seco Specific Plan Area, effectively blocking the project that would otherwise have been allowed by-right (Zahniser & Bloom, 2024). The Belvedere project, described above, similarly faced years of community opposition, and may have stalled out because of it. Although it won its final appeal before the zoning commission in 2024 (Sharp, 2024), no further information has been publicly released, and a drive past the site in April 2026 saw no construction activity.



Figure 3. Map showing the zoning of the project site and surrounding parcels.

## Zoning Analysis

The Heritage Square site is zoned PF-1 for public facilities. There is no applicable specific plan, but the site is in a Transit Priority Area under SB 743, which waives CEQA requirements to evaluate aesthetic and parking impacts (LA Dept. of City Planning, n.d.b). In enumerating the allowable uses for the PF-1 zone, LAMC § 12.04.09 B.9 reads, “any joint public and private development uses permitted in the most restrictive adjoining zones”. The triangular lot is bordered by PF-1 zoned parcels on the freeway and rail line sides, and CM-1 across Pasadena Ave (LA Dept. of Planning, n.d.a). Thus, the applicable rules are those of the CM-1 zone, which allows residential uses consistent with the R3 zone, except that front yard setbacks do not apply (LAMC § 12.17.1 A.1). The R3 zone allows for a maximum FAR of 3, and a minimum lot area per unit of 800sqft. (LAMC § 12.10). Subject to setback requirements, this allows for roughly 130,000 sqft of buildable space before incentives.

	Max. Height	Front Setback	Side SB	Rear SB	Min. Lot Area/Unit (sqft)	Max FAR	Notes
CM-1 (R3)	45	0	5ft+	15	800	3	No parking requirements under AB 2097
TOC Tier 2	67	0	5ft+	15	471	4.5	TOC requires step-backs
Density Bonu	45	0	5ft+	15	533	3	4 concessions available

Table 1: Sources - LAMC § 12.10, § 12.21.1 A.1, and § 12.22 A.37; LA Dept of Planning, 2018

Metro’s Joint Development Program has a goal of making 35% of units in their portfolio affordable for those making less than 60% AMI (Metro, 2017). If we assume the project will meet that level of affordability, the proximity of this site to a rail transit line unlocks incentives that will allow building well beyond the base restrictions outlined in the CM-1 (R3) zone (See Table 1). Under the Los Angeles Transit-Oriented Development incentive, passed under measure JJJ in 2016, the project would be eligible for Tier 3 incentives, which include a 50% increase in maximum FAR, and a 70% increase in allowable density (LA Dept. of Planning, 2018). This would allow for a building of up to 196,000 sqft. Similarly, at Metro’s target level of affordability, the project would qualify for the maximum state density bonus of 50% and qualify for four additional incentives/concessions under the law (LAMC § 12.22 A.37). These density incentives will prove vital in creating a project that provides dedicated affordability without public subsidy.

## Conclusions

The Heritage Square site presents a very attractive site for Metro Joint Development. Using the site for a mixed-use project with dedicated affordability would add housing units in a market that needs them desperately, and provide residents convenient access to employment centers, aligning closely with Metro’s priorities. The project would be the latest in a series of new developments in a neighborhood that has had few, mobilizing backlash in the community. However, given the public sponsor and dedicated affordable component of the project, challenges seem unlikely to gain traction.

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