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Los Angeles City Planning Commission
Department of City Planning
200 North Spring Street
Los Angeles, CA 90012
cpc@lacity.org

February 12, 2021

Re: Comments Re: Mello Act Ordinance, CPC Public Hearing on Feb. 25, 2021, Case No. CPC-2019-7393-CA

Honorable Commissioners:

The Legal Aid Foundation of Los Angeles submits this comment letter in response to the City's proposed Mello Act Ordinance.

Background

The Mello Act, CA Gov't Code Sec. 65590 et. seq., generally requires: (1) replacement of affordable units demolished or converted in the coastal zone; and (2) inclusion of affordable units, where feasible, in new housing developments and conversions in the coastal zone.

In 1993, the Western Center on Law and Poverty and the Legal Aid Foundation of Long Beach (now part of the Legal Aid Foundation of Los Angeles) filed a lawsuit against the City of Los Angeles alleging that the City failed to comply with the Mello Act, in *Venice Town Council v. City of Los Angeles*, L.A. Super. Ct. No BC089678. In 1996, a California Court of Appeal ruled against the City (47 Cal. App. 4th 1547). All parties signed a Settlement Agreement in 2000 and the City adopted the Interim Administrative Procedures for Complying with the Mello Act (IAP), which currently dictate the City's Mello Act compliance process. Since the Settlement was signed and the IAP was adopted 20 years ago, the Legal Aid Foundation of Los Angeles (LAFLA) has been at the forefront of Mello Act compliance and enforcement in the City of Los Angeles. As a result, we are intimately familiar with what is working and what is not. Our recommendations included in this letter and in the attached revised ordinance are based on over two decades of experience.

Pursuant to the terms of our Settlement, the City is required to adopt a Mello Ordinance that is consistent with the terms of our Settlement and the Mello Act. Our Settlement provides:

Other Office Locations:

East Los Angeles Office, 5228 Whittier Blvd., Los Angeles, CA 90022
Long Beach Office, 601 Pacific Ave., Long Beach, CA 90802
Santa Monica Office, 1640 5th St., Suite 124, Santa Monica, CA 90401
Ron Olson Justice Center, 1550 W. 8th Street., Los Angeles, CA 90017



All City Policies and City Procedures, and all other ordinances, programs, plans, and policies in the Coastal Zone, shall be consistent with the Mello Act and this Agreement. *All future zoning, land use, development and planning regulations, ordinances, resolutions and policies adopted by the City shall be consistent with the Mello Act and this Agreement.*

See Settlement Sec. IV.B.2. (emphasis added).

Importantly, the IAP was written to mirror the Settlement, so the baseline requirements in the IAP must also be the baseline, minimum requirements for the ordinance. As a result of the rights given to us by our Settlement and over 20 years of working to implement the Mello Act in the City, we have are key stakeholders in the adoption of this ordinance. Over the last five years, we have participated in ongoing meetings with the City to try and reach agreement about what should be included in the draft permanent ordinance. Unfortunately, much of our work has been ignored and is not reflected in the draft that you are being asked to consider.

The draft ordinance was intended to close loopholes and strengthen the Mello Act's affordable housing requirements, especially considering our ever-worsening housing crisis. Unfortunately, however, the draft you have been given does not achieve these goals. Therefore, we respectfully submit this comment letter along with a revised draft of the ordinance, using track changes, so that you can see all the necessary edits. Our comment letter seeks to highlight our biggest concerns, but the attached revised ordinance includes all the revisions necessary to achieve the goals of the Council motion, which are to strengthen and improve the IAP, add clarity and close loopholes.

1. The Mello Ordinance should prioritize Extremely Low, Very Low, and Low Income households.

The IAP allows inclusionary requirements to be met by targeting units in new developments at 10% Very Low Income or 20% Low Income. The proposed ordinance adds two additional options for inclusionary income targeting: 8% Extremely Low Income; and 40% Moderate Income. We support adding an income targeting option for Extremely Low Income, however we do not support adding Moderate Income as an option. The City's greatest affordable housing needs are for Extremely Low (ELI), Very Low (VLI) and Low Income (LI). The City's RHNA numbers for the 2021-2029 planning cycle indicate that ELI and VLI housing needs are collectively at 115,680 units. The number of ELI and VLI units, combined with the number of LI units needed (68,593 units), is almost two-and-a-half times the need for Moderate Income units (74,936 units). We therefore recommend that Moderate Income be removed as an inclusionary housing income targeting option, leaving only Extremely Low, Very Low, and Low Income units as options.

2. Definitions should be revised to address previously seen attempts to avoid compliance with the IAP.

a. Demolition should be defined to encompass substantial renovation work.

The definition of Demolition should be broadened to include significant substantial renovations that cause displacement and effectively demolish a unit. Joan Ling, former treasurer of the LA City Community Redevelopment Agency (2005-2012)¹, who has also been working on Mello Compliance for over two decades, has recommended that substantial renovation be defined as “work that exceeds \$60,000.00 per unit in construction costs and the replacement of two or more systems.” Developers in the coastal zone have avoided compliance with the Mello Act by engaging in this kind of massive, substantial renovation rather than literally demolish and rebuild properties. This loophole should be closed.

b. Serial Development should be defined to include work beyond the individual property line.

The prior public review draft defined Serial Development as work undertaken by the same applicant within the past five years at the same subject property “or within 500 feet of the subject property.” The 500-foot radius has been removed from this draft. It should be restored to address the issue that developers in the coastal zone have, in the past, redeveloped multiple contiguous parcels that, for all intents and purposes, were a single unified project, but evaded Mello compliance since the parcels were separate. The 500-foot radius will prevent this kind of gamesmanship.

3. The process for determining if a residential use is no longer feasible needs to be revised to align with the Mello Act, Settlement, and IAP.

The Mello Act, Settlement, and IAP use a presumptions-based approach to making determinations regarding whether a residential use is no longer feasible. Residential uses are presumed feasible and clear standards are set forth regarding the high burden of proof to allege otherwise. The draft ordinance loosens these standards and the presumptions-based approach. Our attached revisions tighten the process back up, to reflect the standards set forth in the Mello Act, Settlement, and IAP.

¹ Joan Ling is also a real estate adviser and policy analyst in urban planning, as well as a lecturer in urban planning at the UCLA Luskin School of Public Affairs. She has three decades of experience in real estate financial analysis, affordable housing and urban mixed use development, and state and local land use and housing policy, legislation and regulation. She is Board Director, Housing California and MoveLA and former Treasurer, Community Redevelopment Agency of the City of Los Angeles and former Executive Director, Community Corporation of Santa Monica. Her current research focus is on the nexus between land use policy and real estate development as well as analysis of community benefits project and program level feasibility.

<https://luskin.ucla.edu/person/joan-ling>

4. **The inclusionary housing requirement needs to be revised to accurately capture inclusionary housing obligations and partial unit fees.**

a. **The inclusionary housing requirement (and associated fees) should be applied to 1-4 unit projects.**

The inclusionary housing requirement in the current draft ordinance only applies to projects with five or more units. This threshold is unnecessary and should be removed. Per the terms of the ordinance, one, two, three, or four unit projects would have no onsite inclusionary unit requirement and would instead be obligated to pay a fractional unit fee if they were included in the ordinance. By exempting one through four unit projects from the inclusionary requirement, the City is foregoing much-needed revenue for the Coastal Zone Affordable Housing Trust Fund. The exemption also creates a perverse incentive for developers to build smaller to avoid the inclusionary requirement, resulting in *less* housing.

b. **Inclusionary housing obligations should be set at 8% ELI, 10% VLI and 20% LI.**

As previously mentioned, the inclusionary housing income targeting options should not include a Moderate Income option. This would be a departure from the IAP and it is not aligned with the City's housing needs.

c. **The inclusionary housing requirement should be calculated based on the total units being development, not the “net new” units.**

The inclusionary requirement should be calculated on the total number of units in a new development, not the net, new number of units. Limiting inclusionary housing to “net, new” units means that if new projects are the same size as the existing development, there will be no inclusionary requirement. This would be in direct conflict with the Settlement and IAP, as well as 20 years of implementation work. The draft ordinance language must be revised to remove the net, new language in this section.

d. **The calculation of fractional unit fees should be revised to better reflect the cost of building those units.**

The fractional unit fee calculation should be based on the actual cost to build the required affordable unit, not the average square footage of the new development. This will ensure that the fee captures what is owed and maximizes revenues for the City. The numbers we propose are taken directly from the BAE study and our proposed method was recommended by Joan Ling as the most appropriate partial unit fee calculation method.

In addition, the annual fee adjustment should be adjusted differently in each coastal zone submarket area, to better capture the varied costs of land and construction across Los Angeles' coastal zone subareas.

5. **HCIDLA’s Mello Act Assessment should be revised to align with the IAP and ensure that all units occupied by or affordable to lower income families are identified and replaced.**

- a. **The criteria for determining whether an existing unit is affordable (and therefore must be replaced) should be revised to capture all forms of affordable housing. Moreover, presumptions should be included to streamline the process and curtail abuses that have been rampant.**

The listed criteria for HCIDA to consider when conducting a Mello Act Assessment of the number of affordable units at a property should be revised to better capture existing affordable units and be internally consistent with the rest of the ordinance.

First, “Affordable Unit” is defined in the definitions section of the ordinance as one “that is or was subject to any form of rent or price control through a public entity’s valid exercise of its police power within the past five years.” Yet, in describing HCIDLA’s Mello Act Assessment, the ordinance directs HCIDLA to only consider units subject to the Los Angeles Rent Stabilization Ordinance. This should be changed to clarify that *any* price-controlled units, such as those subject to the Tenant Protection Act of 2019, are also considered affordable units.

Second, HCIDLA should be responsible for collecting tenant income information to determine if a unit is occupied by a low- or moderate-income family. Asking landlords to do this invites fraud, and tenants are hesitant to share their incomes with landlords. This information must be captured and considered, but it must be done by HCIDLA, not landlords or property managers.

Third, HCIDLA should also collect information about the rental rate history of each unit. If the rents actually charged are at or below the maximum allowable rent for a particular AMI, the unit should be deemed affordable at that AMI level. This will help capture and preserve units with lower and affordable rent levels.

Fourth, pursuant to the Mello Act, Settlement, and IAP, there must be a presumption included in the ordinance that if a substantial number of evictions or notices to vacate occurred at the subject property within the last five years, these must be presumed to have been for the purposes of evading the Mello Act’s affordable housing obligations and these units must be presumed affordable and replaced.

Fifth, HCIDLA should also look at any voluntary buyout agreements entered into with former tenants in the previous five years pursuant to the Tenant Buyout Notification Program (LAMC § 151.31). Buyout agreements have been used by landlords in the past to remove low income tenants in order to avoid the units being deemed affordable.

Finally, HCIDLA should seek all information about affordability in the primary language of each tenant, to ensure that no indicia of affordability are literally lost in translation.

b. Affordability of units should be presumed, and it should be the applicant's burden to prove otherwise.

In the public review draft released in 2019, HCIDLA was directed to presume that existing units were affordable, and therefore needed to be replaced at various affordability levels, unless the applicant was able to produce Substantial Credible Evidence showing that a unit was not an affordable unit. This requirement should be added back to the ordinance. It provides further protection against applicants displacing tenants or modifying rental terms to avoid a replacement housing obligation.

6. The methodology for determining feasibility must be revised.

One of the primary goals of adopting an ordinance is to clarify processes and close loopholes. The lack of clarity regarding what could be included and considered in a feasibility analysis has resulted in long, protracted, and expensive battles. Clarifying this process is a necessary of cornerstone for this ordinance.

LAFLA worked closely with Joan Ling and the City to identify an objective methodology that could be included in the ordinance. Unfortunately, the draft ordinance does not include this language. Therefore, we have submitted revisions that include Joan Ling's methodology, thresholds, and indexes, which should be included in the ordinance. In addition, the draft ordinance does not contain any criteria regarding the feasibility of units for sale. These criteria were in the prior public review draft and have been added back into our revised ordinance that is attached to this comment letter.

7. The Department of City Planning should notify interested parties of Mello-related activity via email.

There are a great number of persons and organizations interested in coastal zone development activity and Mello Act compliance. Currently, there is not an interested party notification list for Mello-related activity and determinations. The City should create an electronic mail interested parties list, so that people can sign up to receive electronic notifications of coastal zone activity.

8. The City is required to release an annual written report of all Mello activity, yet this is not included in the ordinance. The City has also failed to release this report since the IAP was adopted even though it is required to do so.

Compliance with this ordinance and the state Mello Act is an important anti-displacement and anti-gentrification metric. This is why the Settlement and IAP require annual reports. This requirement should be followed now and it should be included in the ordinance.

9. Notice to the settlement plaintiffs should be included in the ordinance.

Under the Settlement and IAP, the City is required to give us notice of various proposed changes or studies. For the past 20 years, the City has not consistently upheld this term of the

Settlement. Therefore, these notice requirements should be documented directly in the ordinance to ensure compliance with the City's legal obligation. We are entitled to these notices until two years after the adoption of the ordinance and any implementing regulations.

10. Affordability Covenants should be recorded for the life of the project or in perpetuity.

To avoid expiring affordable units in existing developments, covenants should be recorded for the life of the project or in perpetuity. The County of Los Angeles recently adopted this approach by including covenants in perpetuity in its inclusionary housing and no net loss ordinances. The City of Los Angeles should do the same, as it is the best way to preserve and protect affordable units.

11. A timeline to commit and spend fractional unit fees should be included.

For the Coastal Zone Affordable Housing Trust Fund to actually result in the building of affordable housing in the coastal zone, a timeline to commit and spend the fees should be added. After consultation with Joan Ling, we recommend that the fees be committed within two years of collection and spent within four years of collection.

Conclusion

Thank you for your consideration of our comments and the attached revised ordinance, with our proposed revisions. Should you wish to reach us, you can do so by emailing sbrowne@lafla.org or calling (562) 304-2520. We hope to connect with you in advance of the CPC hearing to discuss our comments.

Sincerely,

THE LEGAL AID FOUNDATION OF LOS ANGELES
Susanne Browne, Senior Attorney
Jonathan Jager, Staff Attorney

Attachments:

1. Revised Ordinance from LAFLA with Track Changes
2. Settlement Agreement
3. Interim Administrative Procedures for Complying with the Mello Act

ORDINANCE NO. _____

SECTION 1 The Los Angeles Municipal Code is hereby amended to include Section 12.21.H which shall read as follows:

H. **Mello Act Compliance in the Coastal Zone Area.** Housing preservation and development requirements in the Coastal Zone Area designed to comply with California Government Code Section 65590 and 65590.1.

1. **Purpose.** To establish the review of Coastal Zone projects that result in the demolition, loss, or Conversion of Residential Units and/or the development of new Residential Units within the Coastal Zone. The following principles shall guide the interpretation of these regulations:

- a. Promote consistency with the implementation of the provisions of the Mello Act (Government Code Section 65590 and 65590.1).
- b. Ensure the preservation and maintenance of existing Residential Units, both affordable and market rate, unless a residential use is no longer feasible at that location.
- c. Protect units occupied by Extremely Low, Very Low, Low, and Moderate Income persons or households by ensuring the replacement of those units occur on a one-for-one basis, with an affordability level equaling like-for-like, or lower.
- d. Require new residential projects of a certain size to provide Inclusionary Units for Extremely Low, Very Low, and/or Low ~~and Moderate~~ Income persons or households.

2. **Relationship to other State and Local Zoning Regulations.**

- a. Where other entitlements and/or regulations require the provision of affordable units to be replaced or additionally provided as a part of the project, those regulations that result in the greatest number of affordable units with the deepest affordability levels per unit shall prevail.
- b. Fees calculated, charged, or collected based on residential use, to provide for affordable units, shall comply with the provisions contained herein. Those fees charged based upon non-residential use, to provide for affordable dwellings, shall be unaffected by the provisions contained herein.

- c. In the case of conflict between this Section H and any applicable Specific Plan, certified Local Coastal Program, or other State or local regulation, the requirements that result in the greatest number of Affordable Replacement Units and Inclusionary Units, with the deepest affordability levels per unit, shall prevail.
3. **Definitions.** The following definitions apply to LAMC Section 12.21 H and are in addition to those found in the California Public Resources Code.

Affordable Housing Incentives Guidelines. The guidelines adopted by the City Planning Commission on June 24, 2005, as amended, pursuant to Ordinance No. 170,764, that implement California Government Code Section 65915 in the City of Los Angeles.

Affordable Monthly Housing Cost. For ownership units, the definition of “affordable housing cost” contained in Health and Safety Code Section 50052.5, and as further defined in California Code of Regulations title 25 Section 6920. For rental units, the definition of “affordable rent” contained in Health and Safety Code Section 50053, and as further defined in California Code of Regulations Title 25 Section 6918.

Affordable Replacement Unit. A Residential Unit built ~~and or~~ provided onsite to satisfy replacement requirements, at the same or lower affordability level.

Affordable Unit. A protected Residential Unit, as determined by HCIDLA and DCP, and defined as any of the following: (1) A Residential Unit that is or was subject to a recorded covenant, ordinance, or law that restricts rent to levels affordable to persons or households of Moderate, Low, ~~or~~ Very Low, or Extremely Low income within the past five years. (2) A Residential Unit that is or was subject to any form of rent or price control through a public entity’s valid exercise of its police power within the past five years. (3) A Residential Unit that is or was occupied by a Moderate, Low, ~~or~~ Very Low, or Extremely Low-income ~~h~~household within the past five years as determined by HCIDLA.

Coastal-Dependent Non-Residential Use. As defined in Section 30101 of the Public Resources Code, or “coastal dependent,” as defined in Section 30101.3 of the Public Resources Code, any non-residential development or use that requires a site on, or adjacent to, the sea to be able to function.

Coastal-Related Non-Residential Use. As defined in Section 30101 of the Public Resources Code, or “coastal related,” as

defined in Section 30101.3 of the Public Resources Code, any non-residential development or use that is dependent on a Coastal-Dependent Non-Residential Use.

Coastal Zone. The Coastal Zone, as defined in California Public Resources Code, Division 20 (commencing with Section 30000).

Coastal Zone Affordable Housing Trust Fund. The reserve accounts into which Affordable Replacement Unit and fractional Inclusionary Unit fees received from Applicants are deposited, and that will only be used to provide Affordable Replacement Units and Inclusionary Units in the same Coastal Zone Community from where the fee originated. Affordable Replacement Units and fractional Inclusionary Unit fees may only be spent to create net new Residential Units through adaptive reuse and new construction.

Coastal Zone Community. As established by the Coastal Act of 1976, those portions of the Brentwood-Pacific Palisades, Venice, Palms-Mar Vista-Del Rey, Westchester-Playa del Rey, San Pedro, and Wilmington- Harbor City Community Plan areas that are located within the Coastal Zone. These Coastal Zone areas are aggregated into the following Communities: Pacific Palisades (a portion of the Brentwood-Pacific Palisades Coastal Zone areas); Venice (a portion of the Venice, Palms- Mar Vista-Del Rey, and Westchester-Playa del Rey Coastal Zone areas); San Pedro (a portion of the San Pedro Coastal Zone areas), and Wilmington (a portion of the Wilmington-Harbor City Coastal Zone areas).

Conversion. A change of one or more existing Residential Units to a condominium, cooperative, or similar form of ownership; or a change of one or more existing Residential Units to a non-residential use; or a reduction in the existing number of Residential Units, either affordable, (covenanted or determined affordable by a Mello Determination) or market rate. The structure or structures that contain these Residential Units are located either on a single lot or tied lots; or conform to the definition of a Unified Development or Serial Development.

Demolition. The removal or replacement of more than 50 percent to any existing exterior walls, foundation walls or roof framing to one or more existing Residential Units or a project defined as a Major Remodel. For the purposes of this ordinance, demolition shall also include substantial renovation work, which is defined as work that exceeds \$60,000.00 per unit in construction costs and the replacement of two or more systems. The structure or structures containing these Residential Units are located on a single lot, two or

more contiguous lots, or conform to the definition of a Unified Development. The per unit construction cost will be adjusted annually by the Los Angeles Housing and Community Investment Department utilizing changes in construction costs as measured by a regularly published industry Construction Cost Index starting with a base year of 2019. Systems are defined as items including, but not limited to, water/natural gas supply lines, drain lines, electrical systems, HVAC and windows. Demolition also includes work that will result in the temporary or permanent displacement of any of the residents of the unit

Feasible. As defined by Section 65590 of the Government Code Section, capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technical factors.

HCIDLA Mello Act Assessment. A letter regarding the quantity, affordability levels, location and replacement requirements for Residential Units made by the Los Angeles Housing and Community Investment Department (HCIDLA). HCIDLA shall have sole discretion for making such determinations and they cannot be overruled by other Departments.

Household, Extremely Low Income. A person or household with an income that conforms to the definition contained in California Health and Safety Code Section 50106, and as further defined in 25 California Code of Regulations 6928 and 6932.

Household, Low Income. A person or household with an income that conforms to the definition contained in California Health and Safety Code Section 50079.5 and as further defined in 25 California Code of Regulations 6928 and 6932.

Household, Moderate Income. A person or household with an income that conforms to the definition contained in California Health and Safety Code Section 50093 (b), and as further defined in 25 California Code of Regulations 6930 and 6932.

Household, Very Low Income. A person or household with an income that conforms to the definition contained in California Health and Safety Code Section 50105, and as further defined in 25 California Code of Regulations 6926 and 6932.

Major Remodel. A project that increases the existing structure by more than 50 percent of existing floor area within a residential structure.

New Housing Development. Development of one or more Residential Units, for rent or sale, through either construction of new units, additions to existing structures, or the adaptive reuse of existing, non-residential structures for Residential Units. The structure or structures containing these Residential Units are located on a single lot, two or more contiguous or tied lots, or conform to the definition of a Unified Development per LAMC 12.24 W 19.

Project. Within the Coastal Zone, any action for which a permit, authorization, or determination is required to be issued, resulting in the Conversion, Demolition, or reduction of the number of existing Residential Units; and/or the construction of new Residential Units.

Residential Unit. A ~~dwelling unit~~, efficiency dwelling unit, accessory dwelling unit, junior accessory dwelling unit, light housekeeping unit or joint living and work quarters as defined in Section 12.03 of the Los Angeles Municipal Code; a mobile home, as defined in Section 18008 of the California Health and Safety Code; a mobile home lot in a mobile home park as defined in Section 18214 of the California Health and Safety Code; a residential hotel (inclusive of individual rooms within a residential hotel) as defined in paragraph (1) or subdivision (b) of Section 50519 of the California Health and Safety Code; ~~or a non-permitted dwelling unit that is inhabited and utilized as a primary residence.~~

Residential Unit, Inclusionary. A Residential Unit with an Affordable Monthly Housing Cost required to be provided under this Section as a condition of approval for a New Housing Development.

Serial Development. Development that is undertaken by the same applicant within a 500-foot radius of ~~on~~ the subject property and within a 5-year time period, for which a Mello Act compliance review was required in the past and is presently required in conjunction with a proposed project. This also includes permit requests for multiple projects that, when combined, are considered a Demolition via the definition in this section.

Substantial Credible Evidence. Will comprise, but not be limited to: complete rental rate histories spanning a minimum of 5 consecutive years immediately preceding the application filing for a Mello Act Compliance Review, showing rates exceeding Extremely Low, Very Low, Low, and Moderate Income Household affordability; or public utility bills substantiating that the Residential Unit(s) have been vacant for a minimum of 5 consecutive years; or tax bills showing owner occupation of the unit as their primary residence for a minimum of 5 consecutive years immediately preceding the

application filing for a Mello Act Compliance Review. Information that is self-certified does not meet this definition. This documentation must be submitted under penalty of perjury; self-certification by owners, whether under penalty of perjury or not, will not meet these requirements.

Unified Development. As defined in LAMC 12.24 W 19(c), a development of two or more Residential Units, buildings and/or structures that have functional internal linkages such as shared pedestrian walkways or vehicular connections or parking facilities, with common architectural and landscape features that constitute distinctive design elements of the development, and that appears to be a consolidated whole when viewed from adjoining streets or the public right-of-way. Such development may include two or more contiguous parcels or lots separated only by a street or alley. Detached bungalows and duplexes are considered unified developments.

4. Mello Act Exception: No permits shall be issued by the Department of Building and Safety for any ministerial or non-ministerial action involving the Demolition, Conversion, or New Construction of a Residential unit in the Coastal Zone until HCIDLA and the Department of City Planning determines the action qualifies for an exception. The following shall qualify for an exception from the general provisions and procedures in this Ordinance:

a. Demolition of a Structure declared as a Public Nuisance. The Demolition of a residential structure or unit that has been declared a public nuisance pursuant to Division 13 (commencing with Section 17000) of the California Health and Safety Code or Chapter IX, Article 1, Division 89 of the Los Angeles Municipal Code is not subject to the Affordable Replacement Unit requirements of this Section H. In order to qualify for this exception, the following must be taken into consideration:

1. A certified title report indicating that a public nuisance declaration has been recorded against the residential unit or structure and has not been terminated.
2. No building that conforms to the standards that were applicable at the time the building was constructed and that does not constitute a substandard building, as provided in Section 17920.3 of the Health and Safety Code, shall be deemed to be a public nuisance solely because the building does not conform to one or more of the current provisions of the Los Angeles Building

Code for new construction.

- b. Replacement with a Coastal Dependent Use.** The Conversion or Demolition of a residential structure for purposes of a nonresidential use that is ~~either~~ “coastal dependent,” as defined in Public Resources Code Section 30101.2, ~~or “coastal related,” as defined in Public Resources Code Section 30101.3;~~
- c. Owner-Occupied Single Family Homes.** Applicants who propose to demolish an existing single-family dwelling in which they have currently resided in for one year or more, and replace it with another one-family dwelling, in which they intend to reside for one year or more, are exempt from Mello Act replacement and inclusionary housing obligations~~Compliance Review~~. The owner and occupant must be a natural person who is the current property owner of record for at least one year prior to the date of the filing of Mello Act Compliance Review or Mello Review Exception. Should the Single Family Home be maintained as the property owner’s primary residence for a minimum of one year from the date a Certificate of Occupancy is issued for the project, it is not subject to the provisions for providing an Affordable Replacement Unit for their one Residential Unit. A Single Family Home owned by a legal entity such as, but not limited to, a Limited Liability Corporation or Corporation may not qualify for this exception, unless the entity can prove that the Limited Liability Corporation or Corporation belongs to a natural person who has maintained primary residency within the Residential Unit for the one year prior to the filing of the Mello Act Compliance Review or Mello Review Exception and will reside in the new home for one year or more. Properties held in Trusts may not qualify for this exception, unless the applicant can prove that an individual is a Trustee to the property held in the Trust and has maintained primary residency within the unit for the one year prior to the filing of the Mello Act Compliance Review or Mello Review Exception and will reside in the new home for one year or more.

5. General Provisions. Projects in the Coastal Zone shall comply with the following provisions:

- a. Conversion or Demolition.** Projects resulting in the Conversion or Demolition of existing Residential Units, shall comply with the following provisions:

- 1. Conversion or Demolition of an existing Residential Unit to a non-Residential unit.**

- Conversion or Demolition of any existing Residential

Unit, for purposes of a non-residential unit that is not Coastal-Dependent, is prohibited, unless a residential unit is no longer feasible. This prohibition applies to all Residential Units, including a reduction in the number of Residential Units, regardless of the incomes of the tenants, rental rates, form of ownership or appraised value. Conversion of a Residential Unit to an Apartment Hotel will constitute a Conversion to a non-residential unit and is not permitted. It shall constitute an impermissible conversion of a residential use to a commercial use if a residential unit in the coastal zone is registered with an online platform and/or rented as a short-term rental. It shall also constitute an impermissible conversion of a residential unit in the coastal zone to a commercial use if a bedroom or accessory dwelling unit is registered with and online platform and/or rented as a short-term rental and it does not meet all of the City's requirements for allowable short-term rentals. The Department of City Planning shall determine feasibility based on the review of Substantial Evidence.

- (i) **Feasibility of Maintaining Existing Residential Unit.** The City presumes continued feasibility of ~~a Residential Units~~ and maintaining the existing number of Residential Units. It is the Applicant's burden of proof to show otherwise, with substantial, credible evidence. The Director of City Planning will be responsible for ~~determining the feasibility of providing a Residential Unit by assessing the following:~~ determining continued feasibility of a residential use.
- i. Proximity to other existing, viable residential uses provides strong evidence that a residential use is feasible.
 - ii. Infeasibility cannot be claimed merely because the site is zoned for non-residential uses. Infeasibility cannot be claimed merely because the site is zoned for industrial use of a prior land use determination approved residential use of the site (i.e., live-work units.) A Zoning Administrator's grant runs with the land.

~~ii.iii.~~ Applicant-initiated zone changes, or a lapse in non-conforming rights resulting in a prohibition of residential use of the property shall not render a project infeasible. If an applicant currently has non-conforming or other rights that permit a continued residential use, the Applicant may not argue that the existing zoning renders a residential use infeasible.

~~iii. Site Zoning and Land Use Designations of the, along with current non-conforming rights afforded the property shall be considered when determining feasibility. Adjacent zoning, that may be incompatible with a residential use shall also be considered.~~

iv. Condition of the Unit will be assessed when determining feasibility. Units that are dilapidated or in a state of disrepair due to failure to make reasonable repairs or to adequately maintain the site shall not be considered infeasible. The city may require that substandard conditions are corrected prior to considerations of infeasibility.

v. Ability of the Applicant to rent or sell the current premises based on the site's unique characteristics or circumstances. Unique characteristics or circumstances include proximity to noxious and incompatible existing uses that are likely to remain, and that render a continued residential use infeasible. If challenging the City's presumption, an Applicant may not cite mere proximity to commercial or industrial uses.

v. _____

~~vi. Feasibility will be determined based on the characteristics and circumstances of the~~

~~property, including proximity to noxious and incompatible existing uses that are likely to remain and cause an inability to rent or sell the current premises.~~

2. Conversion or Demolition of an Affordable Unit.

Conversion or Demolition of an Affordable Unit is prohibited, unless replaced with an Affordable Replacement

Unit. Affordable Units are to be preserved or replaced at the same size, and made affordable to at least the same income levels, or lower, as those existing households at the time the units were occupied. In addition, the following provisions apply to conversions and Demolitions:

(i) **Affordable Units located within a single-family dwelling and duplex.** Affordable Units located within a single-family dwelling or duplex on a lot or unified development containing no more than two Residential Units shall be replaced if it is feasible to do so as determined by the process set forth in subsections 8 and 9 of this Ordinance. Replacement may consist of the construction of an Affordable Replacement Unit or payment into the Coastal Zone Affordable Housing Trust Fund.

(ii) **Affordable Units located in Multi Family Properties or Unified Developments containing 3 or more units.** All Affordable Units located within the same structure, on the same property, or within a Unified Development or Serial Development, which contain three or more Residential Units, shall be replaced on a one-for-one basis with an Affordable Replacement Unit, ~~provided that the density conforms with the existing regulations. A Feasibility Study will not be accepted or considered to reduce this requirement.~~

b. Affordable Replacement Unit. Projects resulting in the development of an Affordable Replacement unit must follow the provisions set below:

1. Level of Affordability. An Affordable Replacement

Unit will be provided at the same level of affordability, or lower, as the Affordable Unit being replaced. Affordability levels are defined in the California Government Code Sections 50053 and 50025.5.

2. **Size of an Affordable Replacement Unit.** An Affordable Replacement Unit will contain the same number of bedrooms and bathrooms as the Affordable Unit it is replacing.
3. **Location.** All Affordable Replacement Units shall be provided onsite where the Conversion or Demolition of the existing unit occurred.
4. **Timing.** Replacement Affordable Units will be made available for occupancy at the same time as market-rate Residential Units in the Project. ~~are available or within three years of the date upon which work commenced on the Conversion or Demolition, whichever occurs first.~~
5. **Tenants Rights.** HCIDLA will establish and maintain a program for tenants who will be displaced as a result of any proposed Demolition or Conversion so that such tenants can exercise a “Right of Return” to the Affordable Replacement Units that are required pursuant to the regulations set forth in this Ordinance.
6. **Right of First Return Criteria.** Replacement Units must initially be offered to displaced tenants with income levels determined to be in the Extremely Low, Very Low, and Low ~~and Moderate~~ categories. The following Right of First Return Criteria applies to the Replacement unit:
 - (i) **Tenant Displacement.** Tenants must have been displaced from the demolished or converted Residential Unit that necessitated the Affordable Replacement Unit.
 - (ii) **Refusal of Replacement Unit.** Should displaced tenants refuse the Affordable Replacement Unit, it may be made available for rent to a new tenant.

- (iii) **HCIDLA Notification.** HCIDLA will notify impacted tenants of their rights and advise them to provide HCIDLA with income verification and updated contact information.

c. New Housing Development. Projects resulting in a New Housing Development of 5 or more new residential units, not including any required Affordable Replacement Units or other restricted Residential Units, will reserve a percentage of the total units as Inclusionary Residential Units to be provided on-site. The Director of City Planning shall determine the number of required Inclusionary Residential Units. New Housing Developments of 1-4 units shall pay a partial unit fee to the City based on the formula in subsection 5, below.

1. Inclusionary Residential Units. A New Housing Development shall provide Inclusionary Units on-site at a rate of at least the minimum percentages described below. A Project's requirement to provide Inclusionary Units will be fulfilled through providing:

- (i) A minimum of 8 percent of the proposed Residential Units reserved on-site for Extremely Low Income Households; or
- (ii) A minimum 11 percent of the proposed Residential Units reserved on-site for Very Low Income Households; or
- (iii) A minimum of 20 percent of the proposed Residential Units reserved on-site for Low Income Households; or

~~(iv) A minimum of 40 percent of the proposed Residential Units reserved on-site for Moderate-Income Households.~~

2. Timing. Inclusionary Units will be made available for occupancy at the same time as market-rate Residential Units. ~~in the same Project.~~

3. Amount Required. The number of required Inclusionary Residential Units is based on a percentage of the total units in the New Housing Development ~~net new Residential Units proposed~~, not including any required Affordable Replacement Units or other restricted Residential Units also required to be provided on-site.

4. **Fractional Inclusionary Residential Units.** A fractional Inclusionary Residential Unit of 0.5 or more will be rounded up to the next whole unit and will be provided on-site. If a project results in a Fractional Inclusionary Residential Unit of less than 0.5, a proportional partial unit fee will be required to be paid for that fractional unit. HCIDLA will be responsible for collecting such fees prior to the issuance of any permits for the development.
5. **Fee.** The fractional Inclusionary Residential Unit fee will be calculated by the ~~average square footage of all dwelling units proposed within the new development, multiplied by the following per square foot fee for the type of proposed development:~~Affordable Housing financing gap for a unit based on the restricted income level multiplied by the applicable fraction:
 - (a). ~~Single-Family Detached: \$48.63/square-foot~~Extremely Low Income: \$448,500.00
 - (b). ~~Single-Family Attached: \$42.36/square-foot~~Very Low Income: \$339,600.00
 - (c). ~~Multi-Family Rental: \$73.88/square-foot~~Low Income: 321,129.00
 - (d). ~~Multi-Family Condominium: \$64.30/square-foot~~Moderate Income: \$296,199.00
6. **Fee Adjustment.** HCIDLA will adjust these fees annually, along with changes to the Linkage Fee, starting with a base year of 2016, utilizing changes in construction costs as measured by a regularly published industry Construction Cost Index and in land costs as measured by the change in median condominium sales prices in the specific coastal area. Construction cost percentage change will be weighted at 70% and land costs will be weighted at 30%. The annually updated fees will be published in the Mello Act Implementing Guidelines.
7. **Mixed Use Development.** A proposed mixed-use development may not result in a net reduction in the total number of existing Residential Units unless a residential use is no longer feasible. A mix of uses is permitted, so long as the structure maintains at least the existing number of residential units and provides

all required Replacement Affordable and Inclusionary Units.

8. Serial Development. When development is undertaken by the same applicant on the subject property and within a 5- year time period, for which a Mello Act compliance review was required in the past and is presently required in conjunction with a proposed project, the development shall be considered a Serial Development. In this case development within a five year period will be analyzed together as a single project for the purpose of Mello Act compliance review. The analysis may result in the requirement of Affordable Replacement or Inclusionary Units which were previously not required in prior project approvals but required as a result of the aggregate project

9. Affordable Housing Incentives. Affordable Replacement Units and Inclusionary Units required to be provided through Mello Act compliance review may be counted toward a project's overall provision of affordable dwellings when applying for affordable housing development incentives, pursuant to LAMC Section 12.22 A.25 or any other affordable housing development incentive program.

6. HCIDLA Mello Act Assessment. Upon initiation of the Mello Act Compliance Review with the Department of City Planning, all Projects shall pay applicable fees for and request a Mello Act Assessment Letter from HCIDLA. HCIDLA will submit a completed Assessment in the form of a ~~publicly available n inter-departmental~~ memorandum to the Department of City Planning, which shall include the following analysis:

a. Number of existing Affordable Units. HCIDLA has sole responsibility for determining: (1) Whether an existing Residential Unit is an Affordable Unit and (2) the level of affordability of that Residential Unit. HCIDLA will make this determination based on the information provided by the applicant ~~and tenants. at the time of application filing with the Department of City Planning.~~ HCID may request additional information or documentation from the Applicant and/or tenants to make a finding of an existing Affordable Unit.

Existing Residential Units will be presumed to be Affordable Existing Residential Units if the owner cannot provide Substantial Credible Evidence otherwise. Self- certification by an owner will

not constitute Substantial Credible Evidence.

HCID shall consider the following in making its determination: ~~The applicant must submit documentary evidence substantiating the following for consideration by HCIDLA:~~

1. Income documentation of tenants, detailing affordability level of the unit for the previous 5 years. If no documents are available, the unit will be presumed affordable to Very Low Income Households. HCID will seek this information from tenants and shall communicate with the tenants in their primary language.
2. The number of existing ~~Affordable~~ Residential Units subject to the Rent Stabilization Ordinance (beginning with Section 151 of the Los Angeles Municipal Code), or any other form of rent or price control through a public entity's valid exercise of its police powers currently or within the last 5 years. ~~These units shall be considered affordable.~~
- 2.3. Rental rate history of the unit for the past five years.
- 3.4. The issuance of notices to vacate, ~~cash or keysbuyout agreements.~~ and/or Evictions, within the five years preceding the HCIDLA Mello Act Compliance Assessment. If a substantial number of persons or families of Extremely Low, Very Low, Low or Moderate Income received notices to vacate, ~~cash for keysbuyout agreements,~~ or were evicted from a development within 5 years prior to the filing of an application for Mello Compliance Review the evictions or notices will be presumed to have been for the purpose of evading compliance with the Mello Act and it will then be presumed that these persons and families were all Very Low Income.
- 4.5. The number of persons or families of Extremely Low, Very Low, Low, or Moderate ~~i~~Income and their receipt of Notices to Vacate or evictions from a single residential development within five years prior to the filing of an application for a Mello Act Compliance Review to convert or demolish the structure.
- 5.6. The number of Residential Units that can be shown to

have been vacant for more than the 5 years preceding the filing of an application for a Mello Act Compliance Review. These units will not be considered affordable.

~~6.7. Current Residential Units that are owner-occupied for one year or more will not be determined to be an Affordable Unit. Only one dwelling unit within an existing multi-family structure shall be determined to be owner-occupied.~~

b. Feasibility Study. Should the Project Applicant request a feasibility study to determine feasibility of providing a required Affordable ~~Replacement~~ Unit, the Applicant shall submit a request for a Feasibility Study to HCIDLA. The Feasibility study shall comply with the Feasibility Study Methodology found in Subsection 8 of this Ordinance.

1. An applicant claiming infeasibility is responsible for paying a fee to HCIDLA ~~or the consultant~~. HCIDLA will ~~either~~ use this fee to hire ~~or will require the applicant to hire~~ a the consultant, from an approved list of neutral third party consultants, to undertake a feasibility study. This feasibility study will utilize the methodology described in Subsection 8 and the thresholds and the Mello Act Implementing Guidelines, described in subsection 11 of this Ordinance.
HCIDLA will review the completed study and make a determination regarding the maximum number of Replacement and Inclusionary Residential Units the project can accommodate based on the study. Applicants may not submit their own feasibility studies for consideration.
2. The City presumes that all Replacement Units and Inclusionary Units are feasible. It is the applicant's responsibility to prove infeasibility. A Feasibility Study will only be considered when an applicant disagrees with the HCIDLA Mello Act Assessment, and only under the following two circumstances:
 - (i) Replacement of Affordable Residential Units that are located in a single family dwelling or an attached duplex, located on a site containing no more than two residential units. Detached bungalows and detached duplexes will be

considered unified developments for the purposes of this Subdivision and will not be eligible for findings of infeasibility. If replacement of Affordable Residential Units located in a single family dwelling or an attached duplex located on a site containing no more than two residential units is found to be infeasible, the Applicant will be required to pay a fee based on the fractional Inclusionary Residential Unit fee.

- (ii) Reduction in the number of Inclusionary Units because the Applicant claims that full compliance is not feasible, the Applicant may request a reduction in the number of required Inclusionary Units. Applicants cannot pay in lieu fees for whole units nor may they seek to construct Inclusionary Units off-site. If an applicant claims that it is not feasible to comply with the Inclusionary Unit obligations of Subsection 5c of this Ordinance, the Applicant may only request a reduction in the number of required Inclusionary Units.

- 3. HCIDLA will transmit to the Director of Planning a copy of the Feasibility Study, AHPP (if applicable), HCIDLA's Mello Act Compliance Assessment Memorandum as to the maximum number of required Affordable Replacement Units and/or Inclusionary Residential Units that can be feasibly provided on-site. Should there be any Replacement Residential Unit fees or fractional Inclusionary Residential unit fees, those will be included in HCIDLA's determination as well.

- c. **Affordable Housing Provisions Plan.** All Projects required by HCIDLA or Department of City Planning to provide Affordable Replacement Units will also be required to prepare an Affordable Housing Provision Plan (AHPP) by the applicant. The AHPP will be submitted to HCIDLA along with applicable fee for review and approval by HCIDLA prior to the issuance of any demolition permit, use of land use approval, or building permit, or certificate of occupancy, whichever occurs first.

The AHPP shall contain the following:

1. **Description.** A description of how whether the Required Affordable Units (Replacement and Inclusionary Units) will be provided as net new units, through new construction or adaptive reuse of an existing non-residential structure.
 - a. A description of the required Affordable Units, including the number and type of bedrooms, minimum square-footage, and parking.
 - b. A description of how the new development will also comply with all of the applicable sections of the approved Affordable Housing Incentive Guidelines, as amended.
 - c. A description of how new development will also comply with all applicable Development Standards for required Affordable Replacement and Inclusionary Residential Units, as outlined below.
2. **Development Standards.** A description of how the applicant will comply with the following standards for required Affordable Replacement and Inclusionary Residential Units.
 - a. **Comparable Unit.** Restricted residential units will be comparable in every manner to market-rate units, except in the quality of interior finish materials for walls, ceilings, floors and other interior surfaces of buildings. The restricted unit(s) will be comparable in total square footage, number of bedrooms, bedroom size, closet space and amenities. If the project proposes more than one type of unit, the restricted dwelling unit(s) will not be confined to only one type of unit within the development. If the market rate units are rentals, the Affordable Units shall be rentals. If the market rate units are ownership units, the Affordable Units shall be ownership units.
 - b. **Affordable Replacement Units.** Restricted residential units will contain at least the same number of bedrooms as the existing Affordable Units they are replacing.

- c. **Inclusionary Residential Units.** The design of the restricted unit(s) should generally reflect the average number of bedrooms and bathrooms per residential unit in the development and should proportionally reflect the mix of unit types in the development.
- d. **Location of Units.** Restricted units must be interspersed among market-rate residential units within the same building. They may not be grouped together on one level or in less desirable sections of the building. In multiple building developments, restricted residential units must be reasonably dispersed among the buildings.
- e. **Equal Distribution of Amenities.** Residents of Replacement Units and Inclusionary ~~u~~Units may not be charged for amenities that are provided at no cost to other market-rate residents including, but not limited to, access to recreational facilities, parking, internet and interior amenities. Optional services provided must be an option for all residents, and available to all under the same terms and conditions. All incentives must be offered to all new residents, not only residents of market-rate residential units.

3. **Timing Requirements.** A description of the financing, construction plan, and project timetable for the provision of required Replacement and Inclusionary Units will be provided to ensure accountability and compliance with the timing requirements for the required Units.

7. **Feasibility Study.** Should the Project Applicant request a feasibility study to determine feasibility of providing a required Affordable ~~Replacement~~ Units, the Applicant shall submit a request for a Feasibility Study to HCIDLA. The Feasibility study shall comply with the Feasibility Study Methodology found in Subsection 8 of this Ordinance.

- a. An applicant claiming infeasibility is responsible for paying a fee to HCIDLA, ~~or the consultant prior to the commencement of the study.~~ HCIDLA will ~~either~~ use this fee to hire ~~or will require the~~

~~applicant to hire~~ a consultant, from an approved list of neutral third party consultants, to undertake a feasibility study. The consultant will be managed by HCID. This feasibility study will utilize the methodology described in Subsection 8 and the thresholds and the Mello Act Implementing Guidelines, described in subsection 11 of this Ordinance. HCIDLA will review the completed study and make a determination regarding the maximum number of Replacement and Inclusionary Residential Units the project can accommodate based on the study. Applicants may not submit their own feasibility studies for consideration.

- b.** The City presumes that all Replacement Units and Inclusionary Units are feasible. It is the applicant's responsibility to prove infeasibility. A Feasibility Study will only be considered when an applicant disagrees with the HCIDLA Mello Act Assessment, and only under the following two circumstances:

 - 1.** Replacement of Affordable Residential Units that are located in a single family dwelling or an attached duplex, located on a site containing no more than two residential units. Detached bungalows and detached duplexes will be considered unified developments for the purposes of this Subdivision and will not be eligible for findings of infeasibility.
 - 2.** Reduction in the number of Inclusionary Units because the Applicant claims that full compliance is not feasible, the Applicant may request a reduction in the number of required Inclusionary Units. Applicants cannot pay in lieu fees for whole units nor may they seek to construct Inclusionary Units off-site. If an applicant claims that it is not feasible to comply with the Inclusionary Unit obligations of Subsection 5c of this Ordinance, the Applicant may only request a reduction in the number of required Inclusionary Units.
- c.** HCIDLA will transmit to the Director of Planning a copy of the Feasibility Study, HCIDLA's Mello Act Compliance Assessment Memorandum as to the maximum number of required Affordable Replacement Units and/or Inclusionary Residential Units that can be feasibly provided on-site. Should there be any Replacement Residential Unit fees or fractional Inclusionary Residential unit fees, those will be included in HCIDLA's determination as well.

8. Feasibility Determination Methodology. The following methodology will be utilized for the purposes of ~~HCID to determine a project's feasibility of providing Affordable Replacement Units or Inclusionary Units.~~ determining a project's feasibility of providing Affordable Replacement Units (only for Affordable Existing Units in single family dwellings or duplexes) and Inclusionary Residential Units.

a. Reputable Published Data. Reputable published data sources for the following will be identified and included in the Mello Act Implementing Guidelines and may include research including construction cost, Class A apartment building operating cost, median monthly rental rate, home and condominium sale prices, and going-in cap rate.

b. Assumptions regarding Affordability. The following assumptions apply to the data utilized in the Feasibility Study.

1. Construction costs should be no more than the per square-foot construction cost regularly compiled and published by a reputable construction cost estimator, in accordance with the relevant building typologies, as adjusted for the Los Angeles location within the last 12 months.
2. Soft development costs, including but not limited to permits and fees, architecture and engineering, financing fees and interest carry, ~~and developer fees,~~ and other consultant fees, should not exceed 25 percent of the construction costs.
3. Land cost should be the actual purchase price for the property bought in a third party arms length transaction within three years from the time of the feasibility study being conducted, as reflected in the purchase contract. A third-party arms lengths transaction is a sales transaction in which the buyer and seller act independently solely in their own self-interest and do not have any relationship with one another. For earlier land purchases, or land purchases not as a result of a third-party arms length transaction, the land cost value should be determined by a reputable, professional land appraiser commissioned by HCIDLA, at the expense of the applicant.

~~**c. Feasibility of Residential Units for Rent or Lease.** Feasibility will be determined by yield-on-cost: annual net operating income divided by total development cost. The threshold for determining~~

~~feasibility will be the going-in cap rate percentage index for new apartments in the Los Angeles region, as published in the most recent issue of a regularly published reputable real estate industry report. If a project meets or exceeds the going-in cap rate, including required Affordable Units, providing the Affordable Residential Unit(s) is/are feasible.~~

- ~~1. Operating expenses should not be more than the expense data collected and regularly published within a reputable residential income property industry report for the Los Angeles area within the last 12 months.~~
- ~~2. Rental income should not be less than rental data collected and produced by a reputable real estate data collection and analysis firm for buildings less than 5 years old, within one quarter mile of the project site, and within the last 12 months. If no comparable data is available, data for buildings with an age greater than 5 years may be utilized.~~
- ~~3.4. Sales revenue should be not less than the sales data for buildings less than 5 years old, within one quarter mile of the project site, and within the last 12 months. If no comparable data is available, data for buildings with an age greater than 5 years may be utilized.~~
- ~~4.~~

c. Feasibility of Residential Units for Rent or Lease

1. Feasibility will be determined by yield-on-cost; annual net operating income divided by total development cost. Net operating income is defined as the current income of a property, net all of the operating expenses, but before any reserves, debt service, capital expenditures, tenant improvements, and leasing commissions. Total development cost is defined as the sum of all construction costs, soft development costs, and land costs.
2. The threshold for determining feasibility will be the going-in cap rate percentage index for new apartments in the Los Angeles region, as published in the most recent issue of a regularly published reputable real estate industry report.
3. If a project meets or exceeds the going-in cap rate, including required Affordable Units, providing the

Affordable Residential Unit(s) is/are feasible.

4. Operating expenses should not be more than the expense data collected and regularly published within a reputable residential income property industry report for the Los Angeles area within the last 12 months.
5. Rental income should not be less than rental data collected and produced by a reputable real estate data collection and analysis firm for buildings less than 5 years old, within one quarter mile of the project site, and within the last 12 months. If no comparable data is available, data for buildings with an age greater than 5 years may be used.

d. Feasibility of Residential Units for Sale.

1. Feasibility will be determined by return-on-cost, which is measured as follows: profit divided by total development cost. Profit is defined as net sales revenue less total development cost. Net sales revenue is defined as gross sales revenue less sales cost.
2. Sales costs should not exceed five percent of gross sales proceeds.
3. The threshold for determining feasibility will be determined annually by HCIDLA, which will make the threshold publicly available.
 - (i) HCIDLA will utilize a consultant to determine the annual threshold for feasibility.
 - (ii) The consultant will survey a minimum of five reputable for-sale developers and/or real estate analytical firms currently active in the Los Angeles area to assist in determining the annual threshold for feasibility.
4. Sales price should not be less than the sales data for buildings less than 5 years old, within one-quarter mile of the project site, and within the last 12 months. If no comparable data is available, data for buildings with an age greater than 5 years may be used.

d.e. Mixed Use projects. Mixed use projects containing residential and non- residential uses will be evaluated by deducting the portions of costs and revenues for the non-residential uses so that only the residential portion of the project is considered in the feasibility analysis; the remainder of the analysis will be pursuant to Paragraphs (c) or (d) of this Subdivision, as appropriate.-

e.f.HCIDLA's Sole Discretion. HCIDLA retains discretion to accept, modify, or reject applicant assumptions that differ from the above assumptions in evaluating feasibility.

f.g.Alternative to Comparable Data. If no appropriate and comparable data is available from an appropriate data source, HCIDLA will commission, at the applicant's expense, a survey and/or analysis to acquire and assess the necessary data.

9. Procedures - Mello Act Compliance Determination. Prior to the issuance of any permit or authorization for a Project, whether discretionary or non- discretionary, a Mello Act Compliance Determination will be issued by the Department of City Planning.

a. Initiation. An applicant shall file an application with the Department of City Planning on a form provided by the Department, and shall include all information required by the instructions on the application and the guidelines adopted by the Director of Planning. Any filing fees required under Section 19.06 A. shall be included with the application.

b. Determination.

- 1. Authority.** The Director of City Planning is the initial decision maker and may approve, conditionally approve, or deny the Mello Act Compliance Review.
- 2. Time to Act.** The Director will make a written determination within 75 days of the application having been deemed complete; a complete application includes having received the HCIDLA Mello Act Assessment Memorandum. This time limit may be extended by mutual consent of the Director and the Applicant.
- 3. HCIDLA Mello Act Assessment Memorandum.** The applicant shall file an application for an HCIDLA Mello Act Assessment for the Demolition or Conversion of existing Residential Units.

4. **Standards for Review.** The Director will grant a Mello Act Compliance Review upon written findings that the project complies with the provisions of this Ordinance.
5. **Limitations.** Granting of a Mello Act Compliance Review will not imply compliance with any other applicable provisions of the Los Angeles Municipal Code, which require additional land use entitlement.
6. **Transmittal.** The Director will transmit by mail a copy of the written findings and decision to the applicant; property owner; all owners of properties abutting, across the street for alley front, or having a common corner with the property; all tenants and occupants of the involved property; the Department of Building and Safety; the Los Angeles Housing and Community Investment Department; the Councilmember(s) having jurisdiction over the area in which the property is located; Empower LA, The Department of Neighborhood Empowerment and other parties who have requested in writing a copy of the determination, including those signed up for the City's Mello Act Interested Parties List. -Electronic mail shall be available for the Interested Parties List
7. **Appeals.** Except as required below, the appeals process and procedures for Mello Act Compliance Review determinations will be as indicated in Section 11.5.7.C.6 or Section 12.36 for quasi-judicial projects requiring multiple approvals.
 - (i) **Filing.** An Applicant or any other person aggrieved by the Director's decision may file an appeal.
 - (ii) **Appellate Decision.**
 - i. **Notice of Public Hearing.** Before acting on any appeal the Area Planning Commission will set the matter for hearing, giving notice in the manner specified below:

Type of Notice	Time	Where / To Whom / Additional Requirements
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Revised Ordinance from LAFLA with Track Changes

Mail	21 days	<ul style="list-style-type: none"> • The applicant; • The owner(s) of the property involved; • All tenants and units in the property at issue; • Owners and Occupants of properties within 100 feet radius of the exterior boundaries of the property involved;
		<ul style="list-style-type: none"> • The Councilmember(s) having jurisdiction over the specific plan area in which the property is located; and • Other parties who have requested notice in writing.
<u>Email</u>	<u>21 days</u>	<ul style="list-style-type: none"> • <u>Other parties as may be indicated in HCIDLA's Mello Act Implementing Guidelines for public hearing notifications.</u>

- ii. **Time to Act.** The Area Planning Commission will act within 75 days after the expiration of the appeal period.
- iii. **Findings.** The appeal action must contain the same findings required to be made by the Director, supported by facts in the record.
- iv. **Authority.** The Area Planning Commission may sustain, reverse, or modify, in whole or in part, the decision of the Director.

8. Modification of Entitlement. The terms of a final determination pursuant to this Section cannot be subsequently modified except through the refiling of a new request for a Mello Act Compliance Review determination.

10. Relief. No administrative, ministerial or additional discretionary action may

be taken to relax, deviate, or relieve an applicant from compliance with the provisions of this Ordinance, except as otherwise stated herein.

11. Mello Act Implementing Guidelines. The Los Angeles Housing and Community Investment Department (HCIDLA) will develop and maintain implementing guidelines for these regulations within 6 months of the effective date of these regulations. The guidelines will be approved by the General Manager of the Los Angeles Housing and Community Investment Department and the Director of the Department of City Planning.

The guidelines will be publicly available and will include specific, impartial data sources consistent with these regulations and necessary for making feasibility determinations.

12. Mello Act Annual Report. The City will prepare and annually release to the public a report containing, at a minimum, the following information for the preceding year, organized by Extremely Low, Very Low, Low, and Moderate Income:

- a. The number of new Residential Units for which the City issued building permits in the Coastal Zone (City Planning);
- b. The number of Inclusionary Residential Units that the City required to be provided, the affordability levels for these units and the location of these units (City Planning);
- c. The number of new Inclusionary Residential Units for which construction was completed (City Planning);
- d. The number, location, and affordability levels of Affordable Existing Residential Units approved for Demolition or Conversion (City Planning);
- e. The number, location, and affordability levels of Affordable Replacement Units that the City required to be provided (City Planning);
- f. The number and location of Affordable Replacement Units for which construction was completed (City Planning);
- g. The amount of Inclusionary Residential Unit fees collected in the last year (HCIDLA);
- h. Information about the expenditure of any partial unit fees, including how they were spent, where they were spent, how many units were created, and at what affordability levels (HCIDLA).

13. Notice Required. The City will provide Notice to Legal Aid Foundation of Los Angeles and Western Center on Law and Poverty, until two years after these regulations are adopted, as follows:

a. Notice will be given no less than 24 days prior to:

- i. Any proposed change in any City Policies, City Procedures or guidelines regarding the Mello Act;
- ii. Any submission of any Local Coastal Plan or any land use portion of a Local Coastal Program to the Coastal Commission for approval, pursuant to Public Resources Code Section 30512.

b. Notice will be given within 15 days of any changes to the maps defining or describing the Coastal Zone, or the description of such boundaries

12.14. Enforcement and Monitoring. The following shall constitute methods the City will utilize in enforcing and monitoring compliance with the Mello Act Replacement Units and Inclusionary Residential Units produced as an outcome of the Mello Coastal Act.

a. Covenant and Agreement. Should an applicant be required to construct and maintain a Replacement Unit or Inclusionary unit, a covenant and agreement shall be recorded:

1. Covenant shall restate Affordability level and shall be observed in perpetuity for a minimum of 55 years from the issuance of the Certificate of Occupancy; and
 2. Compliance with the City's annual housing and occupancy monitoring requirements as set forth in these regulations, Mello Act Implementing Guidelines, and the Affordable Housing Incentive Guidelines, will be recorded with the County Recorder's Office after HCIDLA approval of the Affordable Housing Provision Plan.
1. The applicant shall submit a fee payment at the time of submission of the covenant and agreement application to HCID, pursuant to Section 19.14 of the Los Angeles Municipal Code, to HCIDLA.

b. Financial Assurances. HCIDLA, or any successor department or agency, may require that the project proponent post a bond or

make other financial assurances to assure compliance with the approved AHPP. If a bond or other financial assurance is required, such will be made prior to final approval of the AHPP.

1. It is the responsibility of the property owner to notify HCIDLA of any changes in the building that may affect compliance, such as change of ownership, management agent or on-site manager, vacancies in restricted dwelling units, or changes in compliance with the performance standards approved by HCIDLA.
 2. Violations of the regulatory agreement will be levied against the building owner for non-compliance including legal proceedings. It is the responsibility of the owner to adhere to all program requirements.
 3. HCIDLA will conduct annual monitoring of all Affordable Replacement Units and Inclusionary Units to ensure that they continue to be available at an Affordable Monthly Housing Cost and occupied by Extremely Low, Very Low, Low, and Moderate Income Households. The City's monitoring procedures may include a requirement that owners of Affordable Replacement Units and Inclusionary Units submit tenant income information to the City that has been verified by third party sources, and that meets the same standards for income verification as specified in the Mello Act Implementing Guidelines described in subsection 11 of this Ordinance.
- c. Request for Injunction.** Tenants, rental applicants, purchasers, and prospective purchasers of Affordable Replacement Units may seek an injunction to enforce the affordability criteria or to raise the affordability criteria.

SECTION 2 A new Chapter 187 is added to Division 5 of the Administrative Code to read as follows:

Chapter 187

Coastal Zone Affordable Housing Trust Fund

Section 5.593. **Creation and Administration of the Fund.**

- (a) There is hereby created and established within the Treasury of the

Revised Ordinance from LAFLA with Track Changes

City of Los Angeles a special fund to be known as the "Coastal Zone Affordable Housing Trust Fund" (the "Fund").

- (b) The purpose of the Fund shall be the receipt, retention and disbursement of in-lieu fees collected by the City pursuant to Section 12.21.H. of the Los Angeles Municipal Code. The Fund shall be used for the development of new affordable dwelling units in the Coastal Zone portions of the City.
- (c) The Los Angeles Housing and Community Investment Department shall administer the Fund in accordance with Los Angeles Municipal Code Section 12.21.H. and established City practices for administering trust funds.
- (i) The Los Angeles Housing and Community Investment Department shall collect In-Lieu Fees required to be collected and deposited into the Fund pursuant to Los Angeles Municipal Code Section 12.21.H and remit all such fees/funds to the Treasurer for deposit into the Fund.
- (e) Fees collected from projects are to be deposited in sub accounts corresponding to their location as follows: Pacific Palisades (a portion of the Brentwood-Pacific Palisades Coastal Zone areas); Venice (a portion of the Venice, Palms-Mar Vista-Del Rey, and Westchester-Playa del Rey Coastal Zone areas); San Pedro (a portion of the San Pedro Coastal Zone areas), and Wilmington (a portion of of the Wilmington-Harbor City Coastal Zone areas).
- (f) All monies from the Fund shall be expended for the purposes set forth, and subject to the provisions and limitations expressed in Los Angeles Municipal Code Section 12.21.H. Expenditures shall be authorized by the Executive Manager of the Los Angeles Housing and Community Investment Department or his/her designees.
- (g) Expenditures are limited to those projects that will result in the development of new affordable dwelling units within the same general location the fees were generated from; fees generated from the Palisades area can only be used for new Palisades area affordable units, fees generated from Venice-area projects can only be used for new Venice- area affordable units, and fees generated from San Pedro-area projects can only be used for new San Pedro-area affordable units.
- (g) The Fund shall be interest bearing. Interest and any other earnings attributable to monies in the Fund shall be credited to the Fund and devoted to the purposes of the Fund.

(h) Monies not expended from the Fund at the close of any fiscal year shall not revert to the Reserve Fund, but shall remain in the Fund.

~~(h)(i)~~ Monies shall be committed within two years of collection and spent within four years of collection.

SECTION 3

The City Clerk shall certify to the passage of this ordinance and have it

published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

SETTLEMENT AGREEMENT

**BETWEEN THE CITY OF LOS ANGELES AND
THE VENICE TOWN COUNCIL, INC., THE BARTON HILL NEIGHBORHOOD
ORGANIZATION, AND CAROL BERMAN**

**CONCERNING IMPLEMENTATION OF THE MELLO ACT
IN THE COASTAL ZONE PORTIONS OF THE CITY OF LOS ANGELES**

December 5, 2000

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EXHIBITS

- A. Interim Administrative Procedures
- B. Scope of Work for Interim Study
- C. Affordable Housing Incentives Guidelines
- D. Draft Coastal Zone Maps:
 - Northwest Brentwood Subarea
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 - Southwest San Pedro Subarea
 - Southeast San Pedro Subarea
- E. Draft Map: Areas Within Three Miles of the Coastal Zone

I. FINAL SETTLEMENT AGREEMENT AND RELEASE

This Final Settlement Agreement and Release (Agreement) is entered into this ____ day of November, 2000, between the City of Los Angeles (City) and the Venice Town Council, etc. (Plaintiffs). The City and the Plaintiffs are collectively referred to in this Agreement as the "Parties" and sometimes individually referred to as "Each Party."

II. RECITALS

A. PARTIES

Plaintiffs/Petitioners are the Venice Town Council, Inc., the Barton Hill Neighborhood Organization, referred to in the Complaint as the Barton-Hill Neighborhood Association, and Carol Berman. Defendant/Respondent is the City of Los Angeles.

B. PROCEDURAL BACKGROUND AND INTENT OF THE PARTIES

In September, 1993, Plaintiffs filed a Petition for Writ of Mandate and Complaint for Injunction and Declaratory Relief. On October 22, 1993, the City demurred and moved to strike. The trial court granted the City's motion to strike and sustained the City's demurrers with leave to amend.

The Court also granted the City's motion to strike and sustained its demurrers with leave to amend to the Plaintiffs' First Amended Complaint and Petition for Writ. On November 18, 1994, the trial court granted the City's demurrers to the Second Amended Complaint and Petition for Writ of Mandate.

On February 24, 1995, the Plaintiffs appealed the decision sustaining the City's demurrers. The court in Venice Town Council, v. City of Los Angeles, et al., 47 Cal. App.4th 1547, 55 Cal.Rptr.2d 465 (July 31, 1996), held that while the Act did not require the City to adopt procedures to implement the Act, the complaint stated a cause of action and the demurrers should be overruled. A significant dispute existed as to whether Defendant complied with its affordable housing obligation under the Mello Act, Government Code Section 65590 et seq. This Agreement is entered into with the intention of resolving all issues pending prior to or on the Date of Execution of this Agreement among the parties regarding the Defendant's practices under the Mello Act. However, the Plaintiffs reserve the right to bring legal action against the City after the Interim Ordinance is adopted and becomes effective, or April 19, 2001, whichever occurs first, with regard to the following three policy areas: (1) Categorical Exemption for Small New Housing Developments (See Section V A 3); (2) Affordability Covenants (See Section V C); and Income Targeting Standards (See Section V F).

III. DEFINITIONS

“**Administrative Fees**” are the fees the City charges Applicants to recover the City’s costs of administering the Mello Act and City Policies and City Procedures.

“**Affordable Housing Incentives Guidelines**” means the guidelines adopted by the City Planning Commission on December 14, 1995, as amended, pursuant to Ordinance No. 170,764, which implement California Government Code Section 65915 in the City of Los Angeles.

“**Affordable Replacement Unit**” means a Residential Unit built or provided that has the same number of bedrooms as the Affordable Existing Residential Unit that has been demolished or converted, with an Affordable Monthly Housing Cost.

“**Affordable Monthly Housing Cost**” refers, for ownership units, to the current definition contained in Health and Safety Code Section 50052.5, as further defined in 25 California Code of Regulations Section 6920. For rental units, “Affordable Monthly Housing Cost” refers to the current definition contained in Health and Safety Code Section 50053, as further defined in 25 California Code of Regulations Section 6918.

“**Affordable Existing Residential Unit**” means an existing Residential Unit proposed for Conversion or Demolition that is occupied by a Very Low, Low or Moderate Income Household, as determined by the Housing Department General Manager, following the occupant income determination process set forth in Section VI C 4 of this Agreement.

In the event that an existing Residential Unit is occupied by more than one person or family, and if at least one such person or family (excluding any dependents) is of Very Low, Low or Moderate Income, then the existing Residential Unit is defined as an Affordable Existing Residential Unit.

“**Agreement**” means this Agreement and all exhibits to the Agreement.

“**Appellant**” means the Applicant, current occupant, former occupant evicted within the last year, or other aggrieved person who files an appeal.

“**Applicant**” means the person, partnership, corporation, governmental organization, or other entity submitting a Discretionary Application and/or a Non-Discretionary Application to the City of Los Angeles.

“**Application, Discretionary**” means the original application for, or submission of a subsequent non-minor modification to, one or more of the following entitlements: approval-in-concept, coastal development permit, conditional use permit, condominium conversion, development agreement, plan approval, specific plan exception, subdivision or tract map, variance, zone change or any other action that first requires the discretionary

approval of the Director of Planning, the City Planning Commission, the Zoning Administrator, the Advisory Agency, or an Area Planning Commission.

“Application, Non-Discretionary” means an application for a building permit, demolition permit, or change of use permit that requires the ministerial approval of the Department of Building and Safety,

“Categorical Exemption” means an Application that the City has determined is categorically exempt from providing either Affordable Replacement Units or Inclusionary Residential Units, consistent with the Mello Act, City Policies, and the terms of this Agreement.

“City” means the City of Los Angeles and its officers, agents and employees.

“City Policies” means all interim and permanent policies, ordinances, and resolutions the City adopts to implement the Mello Act and the terms of this Agreement.

“City Procedures” means all interim and permanent administrative procedures the City adopts or issues to implement City Policies, the Mello Act, and the terms of this Agreement.

“Coastal Commission Guidelines” means the California Coastal Commission Interpretive Guidelines on Construction of New Housing adopted by the California Coastal Commission on May 5, 1981.

“Coastal-Dependent Non-Residential Use” means any non-residential development or use which requires a site on, or adjacent to, the sea to be able to function at all.

“Coastal Development Permit” means a permit for any development within the Coastal Zone that is required pursuant to Subdivision (a) of Section 30600 of the California Coastal Act.

“Coastal-Related Nonresidential Use” means any nonresidential development or use that is dependent on a Coastal-Dependent Non-Residential Use.

“Coastal Zone” means the Coastal Zone, as defined in California Public Resources Code, Division 20 (commencing with Section 30000), including, but not limited to, the Coastal Zone portions of Venice, San Pedro, Pacific Palisades, Playa Vista, Wilmington, Fort MacArthur/White Point, Palms/Marina Freeway Area, and Del Ray Lagoon, as depicted on the City of Los Angeles Coastal Zone Maps, as prepared and maintained by the Department of City Planning. In the case of any discrepancy, the Public Resources Code shall control.

“Coastal Zone Affordable Housing Trust Fund” is the reserve account kept separate from the General Fund into which In-Lieu Fees received from Applicants shall be

deposited, and which shall only be used to provide Affordable Replacement Units or Inclusionary Residential Units pursuant to the Mello Act, City Policies and City Procedures.

“Complaint” means the Second Amended Complaint for Injunctive and Declaratory Relief and Petition for Writ of Mandate in this action.

“Conversion” means a change of one or more existing Residential Units to a condominium, cooperative, or similar form of ownership; or a change of one or more existing Residential Units to a non-residential use; or a reduction in the existing number of Residential Units. The structure or structures which contain these Residential Units are located on either a single lot or two or more contiguous or tied lots; or conform to the definition of a Unified Development.

“Date of Execution” means the date this Agreement is completely executed by all parties.

“Defendant” refers to the City of Los Angeles and its officers, agents and employees.

“Demolition” means the demolition of one or more existing Residential Units. The structure or structures which contain these Residential Units are located on either a single lot or two or more contiguous or tied lots; or conform to the definition of a Unified Development.

“Director’s Determination” means a determination issued by the Director of Planning of the Department of City Planning, or his or her designee.

“Density Bonus” means a minimum density increase of 25 percent over the otherwise maximum allowable residential density granted pursuant to California Government Code Section 65915.

“Feasible” means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technical factors.

“Household, Low Income” means a person or family with an income that conforms to the current definition contained in California Health and Safety Code Section 50079.5, as further defined in 25 California Code of Regulations 6928 and 6932.

“Household, Moderate Income” means a person or family with an income that conforms to the current definition contained in California Health and Safety Code Section 50093 (b), as further defined in 25 California Code of Regulations 6930 and 6932.

“Household, Very Low Income” means a person or family with an income that conforms to the current definition contained in California Health and Safety Code Section 50105, as further defined in 25 California Code of Regulations 6926 and 6932.

“Housing Department General Manager” means the General Manager or his or her designee, of the Los Angeles Department of Housing or successor agency.

“Inclusionary Residential Unit” means a Residential Unit with an Affordable Monthly Housing Cost.

“In-Lieu Fees” means fees charged to an Applicant in-lieu of the Applicant providing Affordable Replacement Units or Inclusionary Residential Units, and that are deposited into the Coastal Zone Affordable Housing Trust Fund.

“Interim Administrative Procedures” means the Interim Administrative Procedures developed by the Departments of Building and Safety, City Planning and Housing pursuant to instruction of the City Council on January 19, 2000, and included as Exhibit A.

“Interim Ordinance” means the Interim Ordinance that on January 19, 2000, the City Council directed the Department of City Planning to prepare and submit to the City Planning Commission for approval, and that shall be based on the results of the Interim Study.

“Interim Study” means the study that consultants shall complete to assist the City in implementing the Mello Act; complying with the terms of this Agreement; updating the Interim Administrative Procedures; and preparing the Interim Ordinance.

“Local Coastal Program” means the Land Use Plan and Local Implementation Plan that a local government has adopted to implement the provisions and policies of the California Coastal Act, and that has been certified by the California Coastal Commission pursuant to Public Resources Code Section 30512.

“Longer-Term Study” means the study that consultants shall complete to assist the City in developing permanent City Policies and City Procedures.

“Mello Act” means California Government Code Sections 65590 and 65590.1

“Monthly Housing Cost” means the monthly rent or mortgage for a Residential Unit, as determined by the Housing Department General Manager.

“New Housing Development” means the development of one or more Residential Units for rent or for sale, through either construction of new structures, additions to existing structures, or the adaptive reuse of existing, non-residential structures. The structure or

structures which contain these Residential Units are located on either a single lot or two or more contiguous or tied lots; or conform to the definition of a Unified Development.

“Permanent Ordinance” means the ordinance that the Department of City Planning shall prepare and submit to the City Planning Commission for approval, and that shall be based on the results of the Longer-Term Study.

“Plaintiffs” means the Venice Town Council, Inc., the Barton Hill Neighborhood Organization, referred to in the Complaint as the Barton-Hill Neighborhood Association, Carol Berman, and their attorneys, agents and successors in interest.

“Public Nuisance” means a residential structure that has been declared a public nuisance pursuant to Division 13 (commencing with Section 17000) of the California Health and Safety Code; or any provision of the Los Angeles Municipal Code adopted pursuant to Division 13 of the California Health and Safety Code.

“Residential Unit” means a dwelling unit, efficiency dwelling unit, or joint living and work quarters as defined in Section 12.03 of the Los Angeles Municipal Code (LAMC); a mobilehome, as defined in Section 18008 of the California Health and Safety Code; a mobilehome lot in a mobilehome park as defined in Section 18214 of the California Health and Safety Code; or a residential hotel as defined in paragraph (1) of subdivision (b) of Section 50519 of the California Health and Safety Code.

“Unified Development” means a development of two or more buildings which have functional linkages such as pedestrian or vehicular connections, with common architectural and landscape features which constitute distinctive design elements of the development, and that appears to be a consolidated whole when viewed from adjoining streets. Unified Developments may include two or more contiguous parcels or lots of record separated only by a street or alley.

IV. GENERAL PROVISIONS

A. COVERAGE

This Agreement shall cover all property within the Coastal Zone portions of the City.

B. PRINCIPLES

1. The City shall adopt City Policies and City Procedures requiring all City departments, staff, offices, agencies and employees to comply with the Mello Act and this Agreement.
2. All City Policies and City Procedures, and all other ordinances, programs, plans, and policies in the Coastal Zone, shall be consistent with the Mello Act and this Agreement. All future zoning, land use, development and planning regulations,

ordinances, resolutions and policies adopted by the City shall be consistent with the Mello Act and this Agreement. City Policies and City Procedures pursuant to this Agreement may be modified based on any future amendments to the Mello Act.

3. In the case of conflict between this Agreement, City Policies, City Procedures, any geographically specific plan, Local Coastal Program, or any other regulation, the requirement which results in the provision of the largest number of Affordable Replacement Units or Inclusionary Residential Units shall apply. This Agreement and City Policies and City Procedures shall not, however, abrogate any existing development agreement executed between a property owner and the City prior to the Date of Execution of this Agreement.
4. Nothing in this Agreement, or any City Policies or City Procedures, shall require the City to violate any state law or to violate the rights of any person under the federal or state constitution or state law.
5. Discretionary and Non-Discretionary Applications pending as of the date of execution of this Agreement are subject to the requirements of the Mello Act.

V. CITY POLICIES

The City shall develop City Policies, which shall apply equally to Affordable Replacement Units or Inclusionary Residential Units that the Applicant provides directly, or that the City subsidizes with In-Lieu Fees. City Policies shall include the following provisions:

A. CATEGORICAL EXEMPTIONS

City Policies shall include the following Categorical Exemptions:

1. Owner-Occupied One-Family Dwellings

Applicants who propose to demolish the existing one-family dwelling in which they currently reside, and replace it with another one-family dwelling in which they plan to reside, are Categorically Exempt.

2. Residential Structures Declared a Public Nuisance

The Demolition of residential structures declared a public nuisance pursuant to the following state and local codes are Categorically Exempt:

- 2.1 Division 13 (commencing with Section 17000) of the California Health and Safety Code; or
- 2.2 Any provision of the Los Angeles Municipal Code adopted pursuant to Division 13 of the California Health and Safety Code.

3. **Small New Housing Developments**

Small New Housing Developments consisting of nine or fewer Residential Units are Categorically Exempt until the Interim Ordinance is adopted and becomes effective.

The Plaintiffs reserve the right to bring legal action against the City after the Interim Ordinance is adopted and becomes effective, or April 19, 2001, whichever occurs first, with regard to any City Policy or action that Categorically Exempts small New Housing Developments consisting of nine or fewer Residential Units.

B. DEMOLITIONS AND NEW HOUSING DEVELOPMENTS ON THE SAME SITE

City Policies shall provide that if Affordable Existing Residential Units are proposed for Demolition, and a New Housing Development is proposed on the same site, then the requirements set forth in City Policies concerning Affordable Replacement Units and Inclusionary Residential Units are both triggered.

City Policies shall specify that the requirements concerning Inclusionary Residential Units shall only apply to the number of new Residential Units which exceeds the total number of required Affordable Replacement Units. For example, if the City's Mello Act compliance review determines that 20 Affordable Replacement Units must be provided, and the proposed New Housing Development consists of 50 new Residential Units, then the requirements concerning Inclusionary Residential Units shall only apply to the 30 excess Residential Units. If the number of excess Residential Units is Categorically Exempt pursuant to City Policies, no Inclusionary Residential Units are required.

C. AFFORDABILITY COVENANTS

City Policies shall require, at a minimum, that affordability covenants shall guarantee that Affordable Replacement Units and Inclusionary Residential Units shall remain available at an Affordable Monthly Housing Cost for not fewer than 30 years from the date the City issues the Certificate of Occupancy. Based on the results of the Interim Study, the City shall consider including a provision in the Interim Ordinance which increases this requirement from 30 years to 55 years.

The plaintiffs reserve the right to bring legal action against the City after the Interim Ordinance is adopted and becomes effective, or April 19, 2001, whichever occurs first, with regard to any City Policy or action that does not require that affordability covenants for Affordable Replacement Units and Inclusionary Residential Units remain available at an Affordable Monthly Housing Cost for not fewer than 55 years from the date the City issues the Certificate of Occupancy.

D. METHODS TO PROVIDE REQUIRED AFFORDABLE UNITS

City Policies shall permit the provision of required Affordable Replacement Units or Inclusionary Residential Units through one or any combination of the following methods:

1. New construction;
2. Adaptive reuse (conversion of existing non-residential structures to Residential Units); and
3. Other methods permitted by the Mello Act and approved by the City Council by ordinance or resolution.

City Policies shall specify that Affordable Replacement Units or Inclusionary Residential Units may be either ownership units or rental units. City Policies shall not express a preference for one over the other type of unit.

E. AFFORDABLE HOUSING INCENTIVES

City Policies shall apply the incentives set forth in the Affordable Housing Incentives Guidelines, including a Density Bonus, to the provision of Affordable Replacement Units or Inclusionary Residential Units.

F. AFFORDABLE REPLACEMENT UNITS

1. Income Targeting Standards

City Policies shall specify standards concerning the Affordable Monthly Housing Cost required of Affordable Replacement Units. Until the Interim Ordinance is adopted and becomes effective, Affordable Replacement Units may be provided at any Affordable Monthly Housing Cost. The Interim Study shall evaluate the following candidate standards, which the City is considering for inclusion in the Interim Ordinance:

- 1.1 Deep Targeting Standard: A Residential Unit occupied by a Very Low Income Household may only be replaced by a unit affordable to a Very Low Income Household.
- 1.2 Deep Targeting Standard, Based on Feasibility: A Residential Unit occupied by a Very Low Income Household may only be replaced by a unit affordable to a Very Low Income Household, unless the Applicant demonstrates that deep targeting is infeasible.
- 1.3 Intermediate Targeting Standard: A Residential Unit occupied by a Very Low Income Household may only be replaced by a unit affordable to a Very Low Income or Low Income Household.

- 1.4 **No Targeting Standard:** A Residential Unit occupied by a Very Low Income Household may be replaced by a unit affordable to a Very Low, Low, or Moderate Income Household.

The scope of work for the Interim Study is included as Exhibit B.

The Plaintiffs reserve the right to bring legal action against the City after the Interim Ordinance is adopted and becomes effective, or April 19, 2001, whichever occurs first, with regard to any City Policy or action that does not require deep targeting as specified in Section V F 1.1 above.

2. **Location**

City Policies shall include standards for the required location of Affordable Replacement Units, in compliance with the Mello Act.

Until the Interim Ordinance is adopted and effective, the standards shall be the following standards set forth in the Interim Administrative Procedures (Exhibit A):

- 2.1 Affordable Replacement Units shall be located on-site, or elsewhere within the Coastal Zone.
- 2.2 Applicants claiming it is infeasible to comply with this requirement may request permission to provide the required units within three miles of the Coastal Zone by submitting an appeal pursuant to City Procedures.

The Interim Study shall evaluate, at a minimum, the following candidate standards which the City is considering for inclusion in the Interim Ordinance:

- 2.3 On the same site as the Conversion or Demolition;
- 2.4 Anywhere within the Coastal Zone;
- 2.5 Anywhere within three miles of the site, but within the Coastal Zone; and
- 2.6 Anywhere within three miles of the Coastal Zone.

3. **Timing Requirement**

City Policies shall require that Affordable Replacement Units be provided within three years of the date that work commenced on the Conversion or Demolition.

4. **Performance Standards**

If Affordable Replacement Units are included as part of mixed-income New Housing Developments, City Policies shall require compliance with the following portions of the performance standards set forth in the Affordable Housing Incentives Guidelines (Exhibit C):

- 4.1 Project design (Section 4A, page 7); and
- 4.2 Equal distribution of amenities (Section 4B, page 8).

For all other Affordable Replacement Units, City Policies shall require compliance with the project design and amenities requirements promulgated by the Housing Department General Manager.

G. INCLUSIONARY RESIDENTIAL UNITS

1. **Standards**

City Policies shall include standards for the provision of Inclusionary Residential Units in New Housing Developments. These standards shall be based on the City's factual findings of feasibility. Until the Permanent Ordinance is adopted and becomes effective, the standards shall be the following standards set forth in the Interim Administrative Procedures (Exhibit A):

- 1.1 Inclusionary Requirement Option #1. Reserve at least 20 percent of all Residential Units for Inclusionary Residential Units for Very Low or Low Income Households; or
- 1.2 Inclusionary Requirement Option #2. Reserve at least 10 percent of all Residential Units for Inclusionary Residential Units for Very Low Income Households.

City Policies shall specify that the provision of Inclusionary Residential Units for seniors or disabled persons who do not have a Very Low Income or Low Income shall not comply with these standards.

2. **Location**

City Policies shall include standards concerning the required location of Inclusionary Residential Units, in compliance with the Mello Act.

Until the Interim Ordinance is adopted and effective, the standards shall be the following standards set forth in the Interim Administrative Procedures (Exhibit A):

- 2.1 Inclusionary Residential Units shall be located on-site.

- 2.2 Applicants claiming it is infeasible to comply with this requirement may request permission to provide the required units elsewhere within the Coastal Zone, or within three miles of the Coastal Zone, by submitting an appeal pursuant to City Procedures.

The Interim Study shall evaluate, at a minimum, the following candidate standards which the City shall consider for inclusion in the Interim Ordinance:

- 2.3 On the same site as the New Housing Development;
- 2.4 Anywhere within the Coastal Zone;
- 2.5 Anywhere within three miles of the site, but within the Coastal Zone; and
- 2.6 Anywhere within three miles of the Coastal Zone.

3. Timing Requirements

If City Policies permit Inclusionary Residential Units for off-site provision, then City Policies shall require that these units be provided within three years of the date that the Housing Department General Manager approves the Affordable Housing Provision Plan. City Policies shall require that a New Housing Development's required Inclusionary Residential Units and market-rate Residential Units be made available at the same time.

4. Performance Standards

City Policies shall require compliance with the following portions of the Performance Standards set forth in the Affordable Housing Incentives Guidelines (Exhibit C):

- 7.5.1 Project design (Section 4A, page 7); and
- 7.5.2 Equal distribution of amenities (Section 4B, page 8).

H. **IN-LIEU FEES**

City Policies shall include provisions concerning payment of In-Lieu Fees by Applicants otherwise required to provide Affordable Replacement Units or Inclusionary Residential Units. The City shall deposit In-Lieu Fees into the Coastal Zone Affordable Housing Trust Fund. Administrative Fees shall be handled separately from In-Lieu Fees.

1. Interim Ordinance

Interim In-Lieu Fees shall be deposited into an escrow account to be used solely for the purpose of providing Affordable Replacement Units and Inclusionary Residential Units. After the Permanent Ordinance is adopted and becomes effective, any amounts remaining

in the escrow account shall be deposited into the Coastal Zone Affordable Housing Trust Fund.

1.1 Interim Study

The Interim Ordinance's In-Lieu Fee dollar amounts shall be based on the results of the Interim Study. The scope of work for the Interim Study is included as Exhibit B.

1.2 Affordable Replacement Units

The In-Lieu Fee payment schedule for Demolitions and Conversions shall be based on dollar amounts sufficient to provide, in aggregate, the same number and type of Affordable Replacement Units which would otherwise be required by the Mello Act and this Agreement.

1.3 Inclusionary Residential Units

The In-Lieu Fee payment schedule for New Housing Developments shall be based on dollar amounts sufficient to provide, in aggregate, the same number and type of Inclusionary Residential Units which would otherwise be required by Inclusionary Requirement Option #1 (See Section V G 1.1); or Inclusionary Requirement Option # 2 (See Section V G 1.2).

2. Permanent Ordinance

2.1 Longer-Term Study

The Permanent Ordinance's In-Lieu Fee dollar amounts shall be based on the results of the Longer-Term Study.

2.2. Affordable Replacement Units

The In-Lieu Fee payment schedule for Demolitions and Conversions shall be based on dollar amounts sufficient to provide, in aggregate, the same number and type of Affordable Replacement Units which would otherwise be required by the Mello Act and this Agreement.

2.3 Inclusionary Residential Units

The City may adopt one or a combination of the following policy options:

- 2.3.1 If the City determines that some or all Inclusionary Residential Units are feasible either on-site or off-site, the City shall permit the Applicant to pay In-Lieu Fees sufficient to provide, in aggregate, the same number and type of Inclusionary Residential Units which would otherwise be required by City Policies, the Mello Act and this Agreement.

- 2.3.2 If the City determines that some or all Inclusionary Residential Units are infeasible both on-site or off-site, but that payment of some amount of In-Lieu Fees is feasible, the City may charge such In-Lieu Fees.

3. **Simultaneous Application of Rental Housing Production Fees and In-Lieu Fees**

City Policies shall include the following provision: If In-Lieu Fees, Los Angeles Rental Housing Production Fees, or any similar affordable housing fees all apply to an Application, the greatest of these fees shall apply. Any fees collected shall first be deposited in the Coastal Zone Affordable Housing Trust Fund to provide Affordable Replacement Units or Inclusionary Residential Units. Then, to the extent that there are fees above and beyond those required pursuant to City Policies, those additional fees shall be deposited into the Rental Housing Production Fund.

4. **Timing of Payments**

City Policies shall require that In-Lieu Fees shall be paid in full as follows:

- 4.1 New Housing Developments: prior to issuance of the building permit;
- 4.2 Demolitions: prior to issuance of the demolition permit; and
- 4.3 Conversions: prior to recordation of the tract or parcel map, issuance of the building permit, or issuance of the change of use permit, as applicable.

Alternatively, the City may allow the Applicant to post a bond by the dates specified in Sections V H 4.1, 4.2, and 4.3 above, guaranteeing payment of all In-Lieu Fees in full within one year. The City may provide for a short-term deferral of any In-Lieu Fees if necessary to facilitate the development of any Affordable Replacement Units or Inclusionary Residential Units being built as part of a New Housing Development.

I. DEMOLITION OR CONVERSION OF EXISTING RESIDENTIAL STRUCTURES FOR PURPOSES OF A NON-COASTAL-DEPENDENT, NON-RESIDENTIAL USE

City Policies shall include a City presumption that a continued residential use is feasible. City Policies shall specify that the City shall deny these Applications unless the Applicant proves with substantial evidence that a residential use is not feasible on the site of the residential structure or structures proposed for Demolition or Conversion.

VI. CITY PROCEDURES

The City shall develop and implement City Procedures binding on City departments and City staff for processing Applications pursuant to the Mello Act and City Policies. The City may revise and amend City Procedures if the City Council determines that doing so advances the

goals of the Mello Act, is beneficial or appropriate for administrative efficiency, and is in compliance with State law.

Attached to this Agreement are Interim Administrative Procedures (Exhibit A). These procedures shall remain in effect until the Interim Ordinance is adopted and effective.

A. OBJECTIVES

City Procedures shall accomplish the following objectives:

1. Each Application in the Coastal Zone that conforms to the definition of a Demolition, Conversion or New Housing Development shall be identified.
2. Each residential structure proposed for Demolition or Conversion for purposes of a non-Coastal-Dependent, non-residential use shall be identified.
3. Each Application in the Coastal Zone identified as being subject to the Mello Act shall receive the proper Mello Act compliance review and determination based on that review, pursuant to City Policies and City Procedures, regardless if the Application is regulated by any geographically specific plan or Local Coastal Program. This requirement shall also apply to any Application exempted from the requirement to obtain a coastal development permit.
4. Each determination which requires findings shall be supported by such written findings, which in turn shall be supported by evidence in the file which contains the determination.

B. INITIAL SCREENING AND ROUTING

The City shall develop and implement a procedure to identify each Application subject to the Mello Act. The procedure shall consist of the following steps:

1. **Step one. Determine Coastal Zone location.**

The City shall determine which Applications are located in the Coastal Zone. If an Application is located in the Coastal Zone, the City shall go to step two.

2. **Step two. Identify Conversions, Demolitions and New Housing Developments.**

The City shall identify Applications that involve one or more Residential Units, and determine if any of these Applications conform to the definition of a Demolition, Conversion or New Housing Development. If Demolitions, Conversions or New Housing Developments are identified, the City shall go to step three below.

3. **Step three. Identify Categorically Exempt Applications.**

The City shall identify Applications which are determined to be Categorically Exempt from providing either Affordable Replacement Units or Inclusionary Residential Units as set forth in City Policies and the Mello Act. If the City identifies Applications as Categorically Exempt, the City shall go to step four. If the City identifies Applications as not being Categorically Exempt, the City shall review these Applications for compliance with the Mello Act as set forth in City Procedures.

4. **Step four. Send notice of Categorically Exempt Applications.**

The City shall simultaneously send notice of determinations that an Application is Categorically Exempt pursuant to step three above, within five working days of the date the determination is made, to the Applicant and to other parties specified in City Procedures. In addition, the City shall simultaneously send notice to the Plaintiffs specified in Section VIII P starting from the date the Interim Administrative Procedures (Exhibit A) went into effect, and ending two years after the Permanent Ordinance is adopted and becomes effective. Notice of determinations that an Application is Categorically Exempt because the residential structure has been declared a public nuisance shall also be simultaneously sent to all building occupants.

Determinations that a proposed Demolition, Conversion or New Housing Development is Categorically Exempt are appealable pursuant to City Procedures.

C. DEMOLITIONS AND CONVERSIONS

For each Discretionary and Non-Discretionary Application determined not to be Categorically Exempt, the City shall complete a Mello Act compliance review to determine the total number of Affordable Replacement Units the Applicant is required to provide pursuant to the Mello Act and City Policies.

The compliance review shall be structured to answer the questions and follow the procedures and steps listed below. The City shall prepare and use a worksheet to complete each Mello Act compliance review. The City shall attach supporting documentation to each completed worksheet.

1. **Question #1. Will residential structures be demolished or converted for purposes of a non-residential use?**

If the answer to question #1 is "yes," and existing residential structures are proposed for Demolition or Conversion for purposes of a non-residential use, then the City shall go to question #2 to determine if the proposed use is Coastal-Dependent.

If the answer to question #1 is “no,” the City shall skip to question #4 to determine if any of the Residential Units proposed for Demolition or Conversion are Affordable Existing Residential Units.

2. **Question #2. Is the proposed non-residential use Coastal-Dependent?**

If the answer to question #2 is “yes,” the City shall skip to question #4. If the answer to question #2 is “no,” the City shall go to question #3.

3. **Question #3. Is a residential use feasible at this location?**

The City shall presume that a continued residential use is feasible. Applicants may challenge the City’s presumption by presenting substantial evidence to the contrary. The City shall consider the following in reviewing an Applicant’s challenge to the City’s presumption:

- 3.1 The Applicant has the burden of proof. Proximity to other existing, viable residential uses is strong evidence that a residential use is feasible.
- 3.2 An Applicant may not claim infeasibility merely because the site is zoned commercial. Commercial zones in the City of Los Angeles generally permit residential uses. However, in some cases a “Q” or “D” limitation may be imposed on a particular property which prohibits residential uses.
- 3.3 If the existing, underlying zoning or any other applicable regulation prohibits all residential uses, then the Applicant may cite those facts if the Applicant is challenging the City’s presumption. If an Applicant has non-conforming or other rights which permit a continued residential use, then the Applicant may not contend that the existing zoning renders a residential use infeasible.
- 3.4 An Applicant may not initiate and obtain approval for a zone change which prohibits residential uses and subsequently claim infeasibility based on that zone change.
- 3.5 An Applicant may not claim infeasibility merely because the site is zoned industrial if a Zoning Administrator had previously approved joint living and work quarters for that site. A Zoning Administrator’s grant runs with the land.
- 3.6 An Applicant may not claim financial infeasibility unless it can clearly document an inability to rent or sell the current premises based on the site’s unique characteristics or circumstances. Unique characteristics or circumstances include proximity to noxious and incompatible existing uses that are likely to remain, and that render a continued residential use infeasible. If challenging the City’s presumption, an Applicant may not cite mere proximity to commercial or industrial uses.

- 3.7 An Applicant may claim infeasibility due to the site's unique geologic or other topographical features which render it unsafe for human habitation. Applicants must provide supporting documentation.
- 3.8 An Applicant may not claim infeasibility because the current premises are dilapidated or are in a state of disrepair due to the Applicant's failure to make reasonable repairs or to adequately maintain the site. The City may require the Applicant to correct substandard conditions before it will further consider an Applicant's challenge of the City's presumption.

The City may require that an independent analysis of the alleged risks of other uses or hazards be performed by an expert acceptable to the City, at the Applicant's expense.

If the Applicant has proved with substantial evidence that a residential use is infeasible, the City shall record a "no" answer to question #3, and go to question #4.

If the Applicant has not proved with substantial evidence that a residential use is infeasible, the City shall record a "yes" answer to question #3. The City shall stop the Mello Act compliance review process and deny the Discretionary or Non-Discretionary Application to demolish or convert a residential structure for purposes of a non-Coastal-Dependent, non-residential use, regardless of the income of current or past occupants; the form of ownership; or rents charged, for-sale prices, or appraised value.

4. **Question #4. Are any Affordable Existing Residential Units Proposed for Demolition or Conversion?**

City Procedures shall identify occupants in structures proposed for Demolition or Conversion who may have a Very Low, Low or Moderate Income. City Procedures shall follow the steps below:

- 4.1 **Step one. Send general notice to all occupants of structures proposed for Demolition or Conversion.** This notice shall contain the following: (a) a description of the proposed Demolition or Conversion; (b) an explanation of the purpose of the Mello Act and the City's Mello Act compliance review process; (c) a description of the rights that building occupants determined to have a Very Low, Low or Moderate Income shall have, including a right of first refusal on an Affordable Replacement Unit; (d) a referral to a specified source of further assistance, to be selected by Western Center on Law and Poverty, Inc.; and (e) a City telephone number to call for additional information.
- 4.2 **Step two. Identify long-term vacant residential units.** A Residential Unit shall not be classified as an Affordable Existing Residential Unit if it has been unoccupied for more than 365 consecutive days prior to the Application's filing. The Applicant has the burden of proving long-term vacancy. If the Applicant has established long-term vacancy, then the City shall not classify the Residential Unit as an Affordable Existing Residential Unit.

4.3 Step three. Determine occupant income based on Monthly Housing Cost or actual income data. The City may determine occupant income using Monthly Housing Cost as a substitute for actual income, or by collecting and verifying actual income. If current Monthly Housing Cost data indicate that the existing Residential Unit is affordable to a Very Low, Low or Moderate Income Household, then that Residential Unit shall be presumed to be occupied by a person or family with a Very Low, Low or Moderate Income. If not, the City shall collect prior Monthly Housing Cost data for at least the previous three years. If the average Monthly Housing Cost over this period indicates that the existing Residential Unit is affordable to a Very Low, Low or Moderate Income Household, then that Residential Unit shall be presumed to be occupied by a person or family with a Very Low, Low or Moderate Income. If three years of Monthly Housing Cost data is not available or readily obtainable, then the City shall determine occupant income through the direct collection and verification of actual income data.

If occupant income is based on Monthly Housing Cost, the City shall go to step four. If occupant income is based on actual income, the City shall: (a) go to step five if the person or family does not have a Very Low, Low or Moderate Income; or (b) go to step six if the person or family does have a Very Low, Low or Moderate Income.

4.4 Step four. Verify accuracy of occupant income based on Monthly Housing Cost data. The City shall provide occupants and Applicants with the opportunity to verify the accuracy of occupant income determinations based on Monthly Housing Cost. The City shall provide persons and families presumed not to have a Very Low, Low or Moderate income with the opportunity to submit data verifying actual income. Likewise, the City shall provide Applicants with a roster of occupants presumed to have a Very Low, Low or Moderate Income, who may then submit data verifying actual income.

The City is responsible for verifying the accuracy of any submitted income data. The City shall use actual income data to correct any incorrect occupant income determinations based on Monthly Housing Cost. Based on this review, the City shall (a) go to step five if the person or family does not have a Very Low, Low or Moderate Income; or (b) go to step six if the person or family does have a Very Low, Low or Moderate Income.

4.5 Step five. Identify and determine if any evictions were for the purpose of evading the Mello Act. The City shall conduct an investigation to carry out the following provision set forth in Government Code Section 65590 (b): For purposes of this subdivision, a residential dwelling unit shall be deemed occupied by a person or family of low or moderate income if the person or family was evicted from that dwelling unit within one year prior to the filing of an application to convert or demolish the unit, and if the eviction was for the purpose of avoiding the requirements of this subdivision. If a substantial number of persons or families of low or moderate income were evicted from a single residential development within one year prior to the filing of an application to convert or demolish the structure, the

evictions shall be presumed to have been for the purpose of avoiding the requirements of this subdivision and the applicant for the conversion or demolition shall bear the burden of proving that the evictions were not for the purpose of avoiding the requirements of this subdivision. The City shall identify those Residential Units presumed to have a Very Low, Low or Moderate Income based on its investigation. After completing step five, the City shall go to step six.

4.6 Step six. The City shall prepare a report summarizing the results of the occupant income determination process for occupants of structures proposed for Demolition or Conversion. This report shall contain the following information for each structure:

4.6.1 One-family dwellings: total number of Residential Units and total number of Affordable Existing Residential Units.

4.6.2 Two-family dwellings: Total number of Residential Units and total number of Affordable Existing Residential Units.

4.6.3 Triplexes and other structures that contain three or more Residential Units: total number of Residential Units and total number of Affordable Existing Residential Units.

4.6.4 Summary: total number of Residential Units and total number of Affordable Existing Residential Units.

The report shall also provide the following information for each identified Affordable Existing Residential Unit:

4.6.5 Address;

4.6.6 Names of occupants; and

4.6.7 Number of bedrooms.

5. Question #5. Is the Application for Coastal-Dependent or Coastal-Related Non-Residential uses? Are these non-residential uses consistent with the land use plan of a certified Local Coastal Program?

If the answer to both questions is “yes,” the City shall skip to question #8. If the answer to either question is “no,” the City shall go to question #6.

6. Question #6. Are eleven or more Residential Units proposed for Demolition or Conversion?

If the total number of Residential Units proposed for Demolition or Conversion is ten or fewer, the City shall record a “no” answer to question #6 and go to question #7. If the

Applicant is proposing to demolish or convert eleven or more Residential Units, the City shall record a "yes" answer to question #6, and require that all of the Affordable Existing Residential Units identified by the answer to question #4 be replaced as a condition of Application approval.

7. **Question #7. Are any Affordable Existing Residential Units in one-family or two-family dwellings?**

If the answer to question #7 is yes," the City shall go to question #8. If the answer to question #7 is "no," and all of the Affordable Existing Residential Units identified by the answer to question #4 are in triplexes and other structures that contain three or more Residential Units, the City shall require that all of these units be replaced as a condition of Application approval.

8. **Question #8. Is it infeasible for the Applicant to replace any of the Affordable Existing Residential Units identified by answers to questions #5 and #7?**

If the answer to question #8 is "yes," the City shall determine the number of Affordable Replacement Units it is infeasible for the Applicant to provide, and record this number on the worksheet. The City shall then subtract this number from the number of Affordable Existing Residential Units identified by the answer to question #4. This is the total number of required Affordable Replacement Units. The City shall require the Applicant to provide this number of Affordable Replacement Units as a condition of Application approval.

If the answer to question #8 is "no," then it's feasible for the Applicant to replace all Affordable Existing Residential Units identified by the answer to question #4. This is the total number of required Affordable Replacement Units. The City shall require the Applicant to provide this number of Affordable Replacement Units as a condition of Application approval.

City Policies and City Procedures with regard to question #8 shall include the City's consideration of typical public subsidies, and other affordable housing incentives available by-right. Until the Interim Ordinance is adopted and becomes effective, the City shall answer question #8 pursuant to the provisions set forth in the Interim Administrative Procedures (Exhibit A). Thereafter the City shall answer question #8 by following the provisions set forth in those City Policies and City Procedures in effect after the Interim Ordinance is adopted and becomes effective. After May 28, 2001, the City shall not use Attachment 3 to Exhibit A (Form CP-6391) to answer question #8.

D. NEW HOUSING DEVELOPMENTS

City Procedures shall implement the standards concerning the provision of Inclusionary Residential Units in New Housing Developments set forth in City Policies.

E. IN-LIEU FEES

City Procedures shall implement the provisions concerning In-Lieu Fees set forth in City Policies.

F. DETERMINATIONS

City Procedures shall specify that a determination shall be issued for each Demolition, Conversion, and New Housing Development determined not to be Categorically Exempt.

For Discretionary Applications, the City shall issue the determination as written conditions attached to the determination made with respect to the underlying case. All completed forms, correspondence received and sent, and other supporting documentation shall be attached to the file the City creates for the underlying case.

For Non-Discretionary Applications, the City shall issue the determination as a Director's Determination. The City shall prepare a file, and attach all completed forms, correspondence received and sent, and other supporting documentation.

The City shall simultaneously transmit a copy of each determination to the Applicant, all building occupants, and any other parties specified in City Procedures. In addition, the City shall simultaneously transmit a copy of each determination to the Plaintiffs specified in Section VIII P starting from the date the Interim Administrative Procedures (Exhibit A) went into effect, and ending two years after the Permanent Ordinance is adopted and becomes effective.

1. Demolitions and Conversions

Each determination shall include the following:

- 1.1 Results of the Mello Act compliance review process completed pursuant to City Procedures;
- 1.2 Total number of identified Affordable Existing Residential Units;
- 1.3 Total number of required Affordable Replacement Units;
- 1.4 A requirement that the Applicant comply with the requirements set forth in City Policies and City Procedures;
- 1.5 A statement that the City shall not approve the Application until the City has approved the Affordable Housing Provision Plan prepared pursuant to City Procedures; and
- 1.6 Information for Appellants pursuant to City Procedures.

2. **New Housing Developments**

Each determination that includes a requirement that the Applicant provide Inclusionary Residential Units shall include the following:

- 2.1 A requirement that the Applicant comply with the requirements concerning Inclusionary Residential Units set forth in City Policies.
- 2.2 Total number of required Inclusionary Residential Units.
- 2.3 A requirement that the Applicant comply with the requirements set forth in City Policies and City Procedures.
- 2.4 A statement that the City shall not approve the Application until the City has approved the Affordable Housing Provision Plan pursuant to City Procedures.
- 2.5 Information for Appellants pursuant to City Procedures.

G. **AFFORDABLE HOUSING PROVISION PLAN**

City Procedures shall require Applicants required to provide Affordable Replacement Units or Inclusionary Residential Units to prepare and submit for the City's review and approval an Affordable Housing Provision Plan which specifies how the Applicant shall comply with City Policies. The City's approval of the Affordable Housing Provision Plan shall be a condition of Application approval.

The City shall require the Affordable Housing Provision Plan to include the following elements:

1. **Methods to Provide Required Affordable Units**

The Affordable Housing Provision Plan shall specify the methods by which Applicants shall provide required Affordable Replacement Units or Inclusionary Residential Units, as permitted by City Policies.

2. **Operational Details**

The Affordable Housing Provision Plan shall contain the following operational details:

- 2.1 Address where Affordable Replacement Units or Inclusionary Residential Units will be provided, if the determination permits these units to be provided off-site.
- 2.2 General description of the Affordable Replacement Units or Inclusionary Residential Units to be provided, including the number and type of habitable rooms; square footage; and parking.

- 2.3 Affordable housing incentives and subsidies that will be utilized.
- 2.4 Methods for complying with the Performance Standards set forth in City Policies, including a dispersal plan if Affordable Replacement Units or Inclusionary Residential Units shall be provided on-site. Affordable Replacement Units or Inclusionary Residential Units may not be segregated from market-rate units, but shall be reasonably dispersed throughout the building; and
- 2.5 Financing; construction plan; and project timetable for complying with the timing requirements set forth in City Policies for Affordable Replacement Units and Inclusionary Residential Units.

H. APPEALS

The City shall permit determinations to be appealed. City Procedures shall include the following requirements and provisions:

1. **General Information**

Each determination issued pursuant to City Procedures shall identify deadlines, filing fees, the appellate body, and other necessary procedures and requirements for considering the appeal.

2. **Burden of Proof and Findings**

Appellants shall have the burden of proof. Applicants shall present substantial evidence to support their appeal supported by specific facts. In granting an appeal, the appellate body shall find that the appeal is consistent with the Mello Act.

3. **Notice**

The City shall simultaneously transmit a copy of the results of each appeal to the Applicant, all building occupants and any other parties specified in City Procedures. In addition, the City shall simultaneously transmit a copy of the results of each appeal to the Plaintiffs specified in Section VIII P starting from the date the Interim Administrative Procedures (Exhibit A) went into effect, and ending two years after the Permanent Ordinance is adopted and becomes effective.

4. **Discretionary Applications**

The appeals procedures and appellate body shall be those connected to the underlying case.

5. **Non-Discretionary Applications**

Appellants may appeal a Director's Determination using the forms and following the City Procedures promulgated by the City. The appellate body shall be the Area Planning Commission.

6. **Department of Building and Safety Actions**

Appellants may appeal Department of Building and Safety decisions and determinations to the Board of Building and Safety Commissioners pursuant to Los Angeles Municipal Code Section 98.0403.1.

I. MONITORING AND ENFORCEMENT

The City shall monitor and enforce compliance with all conditions set forth in determinations.

1. **Approval of Applications**

The City shall not issue any permits or other approvals for any Applications determined not to be Categorically Exempt until the Applicant has satisfied all conditions set forth in the determination and City Policies and City Procedures.

2. **Monitoring**

- 2.1 If the determination requires the provision of Affordable Replacement Units or Inclusionary Residential Units, the City shall require the Applicant to comply with the monitoring requirements set forth in Section IV C of the Affordable Housing Incentives Guidelines (page 10 of Exhibit C).
- 2.2 The City may require Applicants to submit periodic progress reports which describe the progress the Applicant is making in implementing the approved Affordable Housing Provision Plan.
- 2.3 The City shall conduct annual monitoring of all Affordable Replacement Units and Inclusionary Residential Units to insure that they continue to be available at an Affordable Monthly Housing Cost and occupied by Very Low, Low and Moderate Income Households. The City's monitoring procedures may include a requirement that owners of Affordable Replacement Units and Inclusionary Residential Units submit tenant income information to the City that has been verified by third party sources, and that meets the same standards for income verification as the requirements set out in the City's HOME and Community Development Block Grant (CDBG) programs.

3. **Affordability Covenants**

- 3.1 The City shall require Applicants required to provide Affordable Replacement Units or Inclusionary Residential Units pursuant to an approved Affordable Housing Provision Plan to record a covenant with the Los Angeles County Recorder guaranteeing that these units shall remain available at an Affordable Monthly Housing Cost for not fewer than the number of years specified in City Policies, from the date the City issues the Certificate of Occupancy. The covenants recorded with the County Recorder's office shall run with the land and be enforceable by the City.
- 3.2 Tenants, rental applicants, purchasers and prospective purchasers of the Affordable Replacement Units or Inclusionary Residential Units shall have the right to seek an injunction to enforce the affordability criteria, or to raise the affordability criteria as a defense or counterclaim to a claim for rent or possession directly against the owner, manager, and/or their successors in interest, of those units.

4. **Financial Assurances**

The City may require Applicants to post a bond or make other financial assurances to assure compliance with the final approved Affordable Housing Provision Plan.

5. **Certificates of Occupancy**

The City shall not issue final certificates of occupancy for any of the buildings in a New Housing Development or Conversion until all of the conditions set forth in the determination have been satisfied in full, and all required affordability covenants have been recorded.

6. **Right of First Refusal**

The City shall require Applicants to provide notice to the City when an Affordable Replacement Unit becomes available for occupancy. The City shall then require the Applicant to provide notice to the occupants of the Affordable Existing Residential Unit that was demolished or converted. The notice shall explain that if the occupants have a qualifying income, they shall have a right of first refusal on the Affordable Replacement Unit.

VII. FOLLOW-UP ACTIONS

A. MAPPING

1. **Coastal Zone Maps**

The City shall prepare maps which identify those lots and properties that are located in the Coastal Zone portions of the City of Los Angeles. A draft of these maps is attached as Exhibit D.

2. **Three Mile Radius Maps**

The City shall prepare maps which depict those areas of the City of Los Angeles that are located within a three mile radius of the inland boundary of the Coastal Zone. A draft of these maps is attached as Exhibit E.

B. LEGISLATIVE ACTIONS

The City Council has agreed that it shall take the following legislative actions:

1. **Motions**

The City Council shall adopt the following motions:

- 1.1 A motion which rescinds the Board of Zoning Appeals policy set out in the July 24, 1990 memo regarding presumptions-on appeals; and
- 1.2 A motion which supersedes the March 20, 1984 report from the Planning and Environment Committee adopted by the City Council (File No. 81-6299).

2. **Ordinances**

2.1 **Mello Act Implementation Ordinances**

The City Council shall adopt Interim and Permanent Ordinances to implement the Mello Act and the provisions of this Agreement; and to establish Administrative Fees which shall be charged to Applicants to recover the City's costs in administering the Mello Act, City Policies, City Procedures, and the provisions of this Agreement.

2.2 **Coastal Zone Affordable Housing Trust Fund Ordinance**

The City Council shall adopt an ordinance which establishes the Coastal Zone Affordable Housing Trust Fund.

2.3 **Simultaneous Application of Rental Housing Production Fees and In-Lieu Fees**

The City Council shall adopt an ordinance amending Los Angeles Municipal Code Section 12.95.2(K) providing for the simultaneous application of Rental Housing Production Fees and In-Lieu Fees, as specified in Section VI G 4 of this Agreement.

2.4 **Rent Stabilization Ordinance and Condominium Conversion Provisions**

The City shall evaluate its Rent Stabilization Ordinance (RSO) and condominium conversion provisions to determine if any amendments are needed to make them consistent with City

Policies and City Procedures. If so, the City shall prepare the necessary amendments and submit them to the City Council for review and possible action.

C. CONSULTANT CONTRACTS

The City shall enter into one or more consulting contracts to complete studies to assist it in implementing the provisions of this Agreement and the Mello Act; and to develop City Policies and City Procedures. These studies shall be made available to the Plaintiffs and the public within five working days of the City's receipt of these studies from the consultants. Consultants shall be available for reasonable consultations with the Plaintiffs and the Plaintiffs' attorneys during and following any study.

1. Interim Study

The City shall enter into a contract with the consulting firm of Hamilton, Rabinovitz & Alschuler (HR&A) to complete the Interim Study. The scope of work for this contract is included as Exhibit B.

2. Longer-Term Study

The City shall enter into a contract with a qualified consultant to complete the Longer-Term Study. Among other provisions, the contract scope of work shall require the consultant to:

- 2.1 To take into consideration the public subsidies and other incentives the City typically utilizes to encourage affordable housing in evaluating proposed City Policies regarding the feasibility of Affordable Replacement Units and Inclusionary Residential Units, as required by the Mello Act; and
- 2.2 Determine the amount of In-Lieu Fees sufficient to provide, in aggregate, the same number and type of Inclusionary Residential Units otherwise required by City Policies, the Mello Act and this Agreement.

D. ANNUAL REPORT

The City shall prepare and annually release to the public a report which contains, at a minimum, the following information for the preceding year:

1. The number of new Residential Units for which the City issued building permits in the Coastal Zone;
2. The number of Inclusionary Residential Units that the City required to be provided either within the Coastal Zone, or within three miles of the Coastal Zone;

3. The number and location of new Inclusionary Residential Units for which construction was completed, either within the Coastal Zone or within three miles of the Coastal Zone;
4. The number and location of Affordable Existing Residential Units approved for Demolition or Conversion;
5. The number of Affordable Replacement Units that the City required to be provided either within the Coastal Zone, or within three miles of the Coastal Zone; and
6. The number and location of Affordable Replacement Units for which construction was completed either within the Coastal Zone, or within three miles of the Coastal Zone.

Information concerning Affordable Existing Residential Units, Affordable Replacement Units, and Inclusionary Residential Units shall be organized by the following sub-categories:

7. Very Low Income Households;
8. Low Income Households; and
9. Moderate Income Households.

E. WORK PROGRAM

Upon the date this Agreement is executed, the City shall initiate a work program to implement the terms of this Agreement. The City shall submit to the plaintiffs quarterly progress reports which describe the reasonable further progress the City is making. The City shall complete the following work program tasks by the dates referenced below, with the understanding, however, that there may be minor and reasonable delays in completing these tasks by these dates:

Task	Date
1. Prepare and release Interim Administrative Procedures (Exhibit A).	The Interim Administrative Procedures were released on May 17, 2000.
2. Execute consultant contract with HR&A to complete Interim Study (VII C 1).	The consultant contract was executed on July 7, 2000.
3. City Council rescinds Board of Zoning Appeals policy. (VII B 1.1).	Within 60 days of Date of Execution of thjs Agreement.

4.	City Council rescinds March 20, 1984 report from the Planning and Environment Committee. (VII B 1.2).	Within 60 days of Date of Execution of this Agreement.
5.	Prepare and submit to the plaintiffs the first required quarterly progress report.	Ten days after execution of the agreement. Thereafter quarterly progress reports shall be submitted no less than 10 working days after the end of the quarter.
6.	Prepare and release Coastal Zone maps (VII A 1).	Maps are included in Exhibit D. Maps may be later revised based on data received from the California Coastal Commission.
7.	Prepare and release Three Mile Radius maps (VII A 2).	Maps are in Exhibit D. Maps may be later revised based on data received from the California Coastal Commission.
8.	Complete Interim Study (Exhibit B).	January 5, 2000.
9.	Prepare and submit Interim Ordinance to City Planning Commission (VII B 2.1).	February 16, 2001.
10.	Prepare and submit ordinance establishing the Coastal Zone Affordable Housing Trust Fund to City Council (VII B 2.2).	February 16, 2001.
11.	Prepare and submit to the City Council an ordinance concerning the simultaneous application of Rental Housing Production and In-Lieu Fees. (VII B 2.3).	April 18, 2001.
12.	Review Rent Stabilization Ordinance and condominium conversion provisions, and prepare any necessary amendments. Submit ordinance (s) to City Council. (VII B 2.4).	April 18, 2001, if the City determines any amendments are necessary.
13.	Revise and release Interim Administrative Procedures. Complete related administrative forms and documents (Exhibit A).	Within 30 working days of effective date of Interim Ordinance.
14.	Select consultant to complete Longer-Term Study (VII C 2).	July 2, 2001.

15.	Prepare and release the first annual report (VII D) covering the period from the Date of Execution through and including June 30, 2001. Thereafter, the annual report shall be prepared covering the period from July 1 through June 30 of the following year.	September 17, 2001. Thereafter the annual report shall be prepared and released within 60 working days of June 30.
16.	Execute contract with selected consultant to complete Longer-Term Study (VII C 2).	November 1, 2001.
17.	Complete Longer-Term Study (VII C 2).	November 1, 2001.
18.	Prepare and submit Permanent Ordinance to City Planning Commission (VII B 2.1).	February 10, 2003.
19.	Prepare and release Permanent Administrative Procedures. Revise related administrative forms and documents (Exhibit A).	Within 30 working days of effective date of Permanent Ordinance.

VIII. AGREEMENT

NOW THEREFORE, the Parties agree as follows:

A. DISMISSAL OF ACTION WITH PREJUDICE

Within 28 business days after the City executes this Agreement, the Plaintiffs agree to file with the Court a Request for Dismissal of the Action with prejudice.

B. PAYMENT OF PLAINTIFFS' ATTORNEYS' FEES, COSTS AND EXPENSES

Within 28 business days after the parties execute this Agreement, the City shall deliver a check in the amount of \$325,000 made payable to Western Center on Law and Poverty, Inc., as payment for all claims by Plaintiffs in this action for attorneys' fees, costs and expenses. Western Center on Law and Poverty, Inc., shall assume responsibility for distributing this payment to the different attorneys and law firms that represented Plaintiffs in this Action.

C. GENERAL RELEASES

1. Claims Defined

For purposes of this Agreement, the term "Claims" shall be defined as any actions, claims, demands, suits, liens, debts, dues, damages, judgments, bonds, executions, and liabilities of whatever kind, nature or description whatsoever, known or unknown, suspected or unsuspected, arising out of, or in any way related to the City's implementation of the Mello Act prior to the Date of Execution of this Agreement.

2. **Releases**

Except as otherwise set forth in this Agreement, the Parties hereby fully, finally, and forever release and discharge each other of and from all manner of Claims.

3. **Waiver of Civil Code Section 1542**

The Parties acknowledge that if they hereafter discover facts in addition to or different from those which they may now know or believe to be true with respect to the subject matter of this Agreement, it is nevertheless their intention to fully and forever settle and release any and all Claims. In furtherance of this intention, the Parties, acknowledge that they are familiar with section 1542 of the California Civil Code which provides:

"A general release does not extend to [Claims] which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

The Parties hereby waive and relinquish any rights and benefits they may have under section 1542, and represent that section 1542 has been fully explained to them by their attorneys.

D. FURTHER ASSURANCES

The Parties agree to execute, acknowledge and deliver any and all additional papers, documents and other assurances and shall perform any and all acts and things reasonably necessary in connection with the performance of the obligations under this agreement and to carry out the intent of the Parties.

E. OWNERSHIP OF CLAIMS

The Parties hereby warrant that they are the owners of, and the Party legally entitled to settle and release, every Claim referred to in this agreement.

F. INDEPENDENT ADVICE AND INVESTIGATIONS

Each Party represents and warrants that it has received independent legal advice from its attorneys with respect to the execution of this Agreement and that it has read this Agreement and understands its contents. Each Party represents and warrants that it has made such investigation of the facts pertaining to the settlement set forth in this Agreement and of all matters pertaining thereto as it is independently deemed necessary and appropriate. Each Party further represents and warrants that it has relied solely upon facts obtained from its own investigations and upon the advice of its own attorneys and legal representatives in executing this Agreement and that it has not relied upon any statement or representation of any other Party or their attorneys or representatives.

G. MISTAKE

In entering into this Agreement, each Party assumes the risk of any mistake. If any Party should subsequently discover that any fact relied upon by it in entering into this Agreement was untrue or that its understanding of the facts or the law was incorrect, that Party shall not be entitled to relief in connection herewith and including without limitation on the generality of the foregoing, no Party shall have any right or claim to set aside or rescind this Agreement. This Agreement is intended to be and is final and binding between the Parties to the agreement regardless of any claims of mistake of fact or law.

H. GOVERNING LAW

This Agreement shall be governed by and construed under the laws of the State of California.

I. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the Parties with respect to its subject matter. All prior and contemporaneous conversations, negotiations, possible or alleged agreements, covenants, releases, representations and warranties in respect of the subject matter of this Agreement are integrated herein and superseded by this Agreement.

J. SEVERABILITY

In the event any part of this Agreement should be found invalid, unenforceable, or nonbinding, the remaining portion will remain in force and fully binding.

K. AGREEMENT NEGOTIATED

The text of this Agreement is the product of negotiation among the Parties and their counsel and is not to be construed as having been prepared by one party or the other.

L. HEIRS, SUCCESSORS AND ASSIGNS

This Agreement shall bind and inure to the benefit of the Parties and their heirs, successors and assigns.

M. EXECUTION IN COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

N. MODIFICATIONS

1. **Time Limit Extensions**

Any time limit contained in this Agreement may be extended by the mutual agreement of the parties in writing, which agreement will reasonably be given.

2. **City Procedures**

The parties may agree to modify the City Procedures contained in this Agreement; however, any such modification must be in writing and signed by the parties' respective counsel.

O. ENFORCEMENT OF AGREEMENT

If any party allegedly breaches this Agreement, then the party alleging the breach shall notify the breaching party in writing. The notice shall set forth, with reasonable particularity, the alleged breach. The party alleged to have breached this Agreement shall meet with the party giving notice and attempt to resolve the alleged breach within 30 days of the mailing of the notice of alleged breach. If the parties cannot resolve the alleged breach, either party may seek judicial relief by filing a new action in Los Angeles Superior Court to enforce the terms of this Agreement. The aggrieved party may seek judicial relief prior to the expiration of 30 days if necessary to prevent the expiration of any rights, claims, or causes of action or to prevent irreparable harm. The following individuals or entities shall be entitled to enforce this Agreement as assignees of the Plaintiffs specified in Section VIII P:

Venice Community Housing Corporation;
Dan Tokaji; and
Linda Lucks.

P. NOTICES

Any notices, reports or other documents required to be provided pursuant to this Agreement shall be sent by first class mail to the parties at the following addresses, or any subsequent address or person provided by a party:

1. **Plaintiffs**

Richard A. Rothschild
Western Center on Law and Poverty
3701 Wilshire Boulevard, Suite 208
Los Angeles, CA 90010

Robert Jacobs
Law Office of Robert Jacobs
12240 Venice Boulevard, Suite 25A
Los Angeles, CA 90066

Franklin P. Eberhard, Deputy Director
Department of City Planning
221 North Figueroa Street, 16th Floor
Los Angeles, CA 90012

Q. NOTICE REQUIRED

In addition to any notices otherwise required by this Agreement, Defendants shall provide Notice to Plaintiffs until two years after the Permanent Ordinance is adopted as follows:

1. Notice shall be given no less than 24 days prior to:
 - 1.1 Any proposed change in any City Policies or City Procedures regarding the Mello Act;
 - 1.2 Any proposal to adopt or amend any ordinances or resolutions implementing the Mello Act, including any ordinances proposed as a result of any of the consultant studies referenced in this Agreement;
 - 1.3 Any submission of any local coastal plan or any land use portion of a Local Coastal Program to the Coastal Commission for approval, pursuant to Public Resources Code Section 30512.
2. Notice shall be given within 15 days of any changes to the maps defining or describing the Coastal Zone, or the description of such boundaries.
3. Notice shall be given within five days of receipt of any studies, including interim reports (deliverables), commissioned by the City in conjunction with the Mello Act.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set forth below.

Date: 12-20-00

VENICE TOWN COUNCIL, INC.
By Stallis Macpherson
Its President

Date:


CITY OF LOS ANGELES

By _____

Its _____

Date: 12/20/00

CAROL BERMAN



Date:

BARTON HILL NEIGHBORHOOD ORGANIZATION

By _____

Its _____

APPROVED AS TO FORM:

Date:

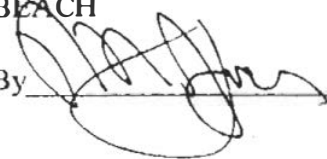
CITY OF LOS ANGELES
JAMES K. HAHN, City Attorney

By _____

Its _____

Date:

WESTERN CENTER ON LAW AND POVERTY, INC.
LAW OFFICES OF ROBERT JACOBS
LEGAL AID FOUNDATION OF LONG BEACH

By  _____

By _____

Its _____

Date:

CITY OF LOS ANGELES

By _____

Its _____

Date:

CAROL BERMAN

Date:

12/16/00

BARTON HILL NEIGHBORHOOD ORGANIZATION

By *Lee Petty*

Its *Community Organizer*

APPROVED AS TO FORM:

Date:

CITY OF LOS ANGELES
JAMES K. HAHN, City Attorney

By _____

Its _____

Date:

WESTERN CENTER ON LAW AND POVERTY, INC.
LAW OFFICES OF ROBERT JACOBS
LEGAL AID FOUNDATION OF LONG BEACH-

By *Richard C. Rothman*

Date: 1/3/01

CITY OF LOS ANGELES

By Claudia Cullin

Its attorney of record

Date:

CAROL BERMAN

Date:

BARTON HILL NEIGHBORHOOD ORGANIZATION

By _____

Its _____

APPROVED AS TO FORM:

Date: 1/3/01

CITY OF LOS ANGELES
JAMES K. HAHN, City Attorney

By Claudia Cullin

Its Assistant City Attorney

Date:

WESTERN CENTER ON LAW AND POVERTY, INC.
LAW OFFICES OF ROBERT JACOBS
LEGAL AID FOUNDATION OF LONG BEACH

By _____

**INTERIM ADMINISTRATIVE PROCEDURES
FOR COMPLYING WITH THE MELLO ACT
IN THE COASTAL ZONE PORTIONS
OF THE CITY OF LOS ANGELES**

APPROVED BY:	SIGNATURE:	DATE:
ANDREW A. ADELMAN General Manager Department of Building and Safety		
CON HOWE Director Department of City Planning		
GARRY W. PINNEY General Manager Department of Housing		

**ALL CITY STAFF AND EMPLOYEES
SHALL FOLLOW THESE PROCEDURES PURSUANT TO CITY COUNCIL
RESOLUTION AND DEPARTMENTAL ORDERS**

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4. AFFORDABLE HOUSING INCENTIVES GUIDELINES

1.0 INTRODUCTION

On January 19, 2000, the City Council adopted an action program with respect to implementation of California Government Code Sections 65590 and 65590.1, commonly called the Mello Act, within the City of Los Angeles. The Mello Act is a statewide law which seeks to preserve housing for persons and families with low or moderate incomes in California's Coastal Zone. The Mello Act also requires developers of New Housing Developments, if feasible, to provide Residential Units affordable to low or moderate income persons or families.

1.1 COUNCIL'S ACTION PROGRAM

Council's action program is summarized below:

- Part One. The Council re-adopted its existing policy (as previously contained in C.F. No. 81-6299), and directed the Departments of Building and Safety, City Planning and Housing to develop consistent and more effective Interim Administrative Procedures to implement this policy. Council was particularly concerned that every Discretionary and Non-Discretionary Application in the Coastal Zone that requires Mello Act compliance review receive the proper review. Council's policy generally requires the one-for-one replacement of demolished or converted housing units occupied by persons or families of low or moderate income within three years. In addition, Council's policy concerning New Housing Developments is based on the Coastal Commission Guidelines.
- Part Two. Council directed the Department of City Planning to develop a Mello Act Interim Ordinance, which will include an in-lieu fee payment option. Council also authorized the Department to execute a consultant contract with Hamilton, Rabinovitz and Alschuler (HR&A) to produce the studies and factual analysis necessary to support development of the Interim Ordinance and in-lieu fee payment program. The Interim Administrative Procedures developed in Part One will be tested and updated, and submitted to Council, along with the Interim Ordinance, in a timely manner.
- Part Three. Council directed the Department of City Planning to develop a permanent Mello Act implementation ordinance. The Council also committed to hiring a qualified consultant to prepare the studies and factual analysis necessary to support development of the permanent ordinance. The Interim Administrative Procedures will again be updated, and resubmitted to Council along with the permanent Mello Act ordinance.

1.2_ INTERIM ADMINISTRATIVE PROCEDURES

It is the policy of the Council of the City of Los Angeles that the Departments of Building and Safety, City Planning (including the Zoning Administration Division) and Housing shall administer, enforce and monitor the provisions of the Mello Act in accordance with these Interim Administrative Procedures.

1.2.1 EFFECTIVE DATE AND PERIOD

These Interim Administrative Procedures are effective immediately, and shall remain in effect until modified in accordance with the Interim Ordinance.

1.2.2 PENDING PERMIT AND APPROVAL APPLICATIONS

Pending Discretionary and Non- Discretionary Applications are subject to the requirements of the Mello Act.

1.2.3 RELATIONSHIP OF PROCEDURES TO EXISTING REGULATIONS

Every Discretionary and Non-Discretionary Application for a Demolition, Conversion or New Housing Development in the Coastal Zone shall be reviewed pursuant to these Interim Administrative Procedures, regardless if the Application is regulated by any geographically specific plan or Local Coastal Program. This requirement also applies to any Discretionary or Non-Discretionary Application exempted from the requirement to obtain a coastal development permit.

In the case of conflict between these Interim Administrative Procedures, any geographically specific plan, Local Coastal Program, or any other regulation, the requirement which results in the provision of the largest number of Affordable Replacement Units or Inclusionary Residential Units shall apply. These Interim Administrative Procedures shall not, however, abrogate any existing development agreement executed between a property owner and the City of Los Angeles prior to May 17, 2000.

1.2.4 CONSTITUTIONAL AND STATE LAW COMPLIANCE

Nothing in these Interim Administrative Procedures shall require the City to violate any state law or to violate the rights of any person under the federal or state constitution or state law.

1.3. OVERVIEW OF THE MELLO ACT

The Mello Act was adopted by the State Legislature in 1982. The Act sets forth requirements concerning the demolition, conversion and construction of housing within California's Coastal Zone. Each local jurisdiction shall enforce three basic rules:

- Rule 1. Existing residential structures shall be maintained, unless the local jurisdiction finds that residential uses are no longer feasible.** A local jurisdiction may not approve the Demolition or Conversion of residential structures for purposes of a non-Coastal-Dependent, non-residential use, unless it first finds that a residential use is no longer feasible at that location.
- Rule 2. Converted or demolished Residential Units occupied by Very Low, Low or Moderate Income persons or families shall be replaced.** Converted or demolished Residential Units occupied by Very Low, Low or Moderate Income persons or families shall be replaced on a one-for-one basis.
- Rule 3. New Housing Developments shall provide Inclusionary Residential Units.** If feasible, New Housing Developments shall provide Inclusionary Residential Units affordable to Very Low, Low or Moderate Income persons or families.

These rules are subject to numerous exceptions and additional required feasibility determinations which complicate the administration of the Mello Act.

2.0 INITIAL SCREENING AND ROUTING

The Department of Building and Safety is responsible for the initial screening and routing of Non-Discretionary Applications. The Department of City Planning is responsible for the initial screening and routing of Discretionary Applications.

Public Counter staff at these Departments are hereby directed to develop the appropriate forms and procedures necessary to screen, route and track all Discretionary and Non-Discretionary Applications pursuant to steps one through six below.

2.1. STEP ONE. IDENTIFY COMMUNITY PLAN AREA.

Staff shall determine if a filed and deemed complete Discretionary or Non-Discretionary Application is located in the following Community Plan Areas: Brentwood-Pacific Palisades, Venice, Del Rey, Westchester-Playa Del Rey, San Pedro or Wilmington-Harbor City. If the Application is in one of these Community Plan Areas, go to step two.

2.2 STEP TWO. DETERMINE COASTAL ZONE LOCATION.

Staff shall consult the appropriate City of Los Angeles Coastal Zone Subarea Map to determine if the Application is located in the Coastal Zone. If the Application is in the Coastal Zone, go to step three.

2.3 STEP THREE. IDENTIFY CONVERSIONS, DEMOLITIONS AND NEW HOUSING DEVELOPMENTS.

Staff shall identify Discretionary or Non-Discretionary Applications that involve one or more Residential Units. Staff shall then determine if any of these Applications conform to the definition of a Demolition, Conversion or New Housing Development as contained in Attachment 1. If Demolitions, Conversions or New Housing Developments are identified, go to step four.

2.4 STEP FOUR. IDENTIFY CATEGORICAL EXEMPTIONS.

Staff shall identify which Demolitions, Conversions or New Housing Developments are Categorically Exempt from further Mello Act compliance review pursuant to Parts 2.4.1, 2.4.2, and 2.4.3 below. If Applications are identified as Categorically Exempt, go to step five. If Applications are identified as non-Categorically Exempt, go to step six.

2.4.1 PUBLIC NUISANCES

Residential structures declared a public nuisance pursuant to the following state and local codes are not subject to the Mello Act's replacement requirements:

- Division 13 (commencing with Section 17000) of the California Health and Safety Code; or
- Chapter IX, Article 1, Division 89 of the Los Angeles Municipal Code.

In order to claim a Categorical Exemption from the Mello Act's replacement requirements, an Applicant shall submit a certified title report indicating that a public nuisance declaration has been recorded against the residential structure and has not been terminated. In reviewing certified title reports, staff shall take the following Mello Act provision into account:

"For purposes of this subdivision, no building, which conforms to the standards which were applicable at the time the building was constructed and which does not constitute a substandard building, as provided in Section 17920.3 of the Health and Safety Code, shall be deemed to be a public nuisance solely because the building

does not conform to one or more of the current provisions of the Uniform Building Code as adopted within the jurisdiction for new construction.”

2.4.2 SMALL NEW HOUSING DEVELOPMENTS

Based on the Coastal Commission Guidelines, Council has found that it is generally infeasible for small New Housing Developments (developments which consist of nine or fewer Residential Units) to provide Inclusionary Residential Units. Such New Housing Developments are Categorically Exempt from further Mello Act compliance review.

Council has instructed the Department of City Planning to direct HR&A to analyze the feasibility of requiring these New Housing Developments to provide Inclusionary Residential Units, or to pay an in-lieu fee. Based on HR&A's study, Council may adopt a different feasibility presumption concerning these New Housing Developments for the Interim Ordinance.

2.4.3 OWNER-OCCUPIED SINGLE-FAMILY HOMES

Applicants who propose to demolish the existing one-family dwelling in which they currently reside, and replace it with another one-family dwelling in which they plan to reside, are Categorically Exempt from further Mello Act compliance review.

2.5. STEP FIVE. SEND NOTICE OF CATEGORICALLY EXEMPT APPLICATIONS.

Notice of determinations that an Application is Categorically Exempt pursuant to Part 2.4 above shall be sent, within five working days of the date the determination is made, to the Applicant and to:

Richard A. Rothschild
Western Center on Law and Poverty, Inc.
3701 Wilshire Boulevard, Suite 208
Los Angeles, CA 90010-2809

Notice of determinations that an Application is Categorically Exempt pursuant to Part 2.4.1, Public Nuisances, shall also be sent to all building occupants.

Determinations that a proposed Demolition, Conversion or New Housing Development is Categorically Exempt pursuant to Part 2.4 are appealable pursuant to the procedures set forth in Part 8.0.

2.6 STEP SIX. ROUTE NON-CATEGORICALLY EXEMPT APPLICATIONS TO THE DEPARTMENT OF CITY PLANNING, ZONING ADMINISTRATION DIVISION (DCP/ZAD) FOR FURTHER MELLO ACT COMPLIANCE REVIEW AND PROCESSING.

Public Counter staff at the Departments of Building and Safety and City Planning shall route non-Categorically Exempt Conversions, Demolitions and New Housing Developments to the Department of City Planning, Zoning Administration Division (DCP/ZAD) for follow-up Mello Act compliance review, coordination and processing.

The Department of Building and Safety shall not issue any permits or other approvals until it has received clearance from the DCP/ZAD that the Applicant has satisfied all conditions set forth in the Mello Act and these Interim Administrative Procedures.

3.0 DEMOLITIONS AND NEW HOUSING DEVELOPMENTS ON THE SAME SITE

If an Applicant proposes to demolish Affordable Existing Residential Units, and build a New Housing Development on the same site, the Mello Act's replacement and inclusionary requirements are both triggered.

While with few exceptions all demolished Affordable Existing Residential Units must be replaced (as further discussed in Part 4.0 below), the inclusionary requirements only apply to the number of new Residential Units that exceeds the number of Affordable Replacement Units. For example, if an Applicant is required to provide 20 Affordable Replacement Units, and plans to build a total of 50 new Residential Units, the inclusionary requirements only apply to the 30 excess Residential Units.

DCP/ZAD staff shall determine the total number of required Affordable Replacement Units pursuant to Part 4.0, and the number of required Inclusionary Residential Units pursuant to Part 5.0. If the number of excess Residential Units is nine or fewer, no Inclusionary Residential Units are required pursuant to Part 2.4.2.

4.0 DEMOLITIONS AND CONVERSIONS

Assigned DCP/ZAD staff shall complete a Mello Act compliance review for each proposed Demolition and Conversion using the attached Mello Act Compliance Review Worksheet (Attachment 2). This requirement applies to both Discretionary and Non-Discretionary Applications. Applicants are not permitted to complete this Worksheet.

The purpose of completing a Mello Act compliance review is to:

- Identify Applications to demolish or convert residential structures for purposes of a non-Coastal-Dependent, non-residential use. These Applications shall be denied unless the Applicant proves with substantial evidence that a residential use is not feasible at that location; and
- Identify the total number of Affordable Existing Residential Units that are proposed for Demolition or Conversion; and
- Determine the total number of required Affordable Replacement Units.

Each question on the Mello Act Compliance Review Worksheet is reproduced and further discussed below. Staff shall provide a written explanation for each answer recorded on the Worksheet, and attach all supporting documentation to the file. The results of each Mello Act compliance review shall be issued as a determination pursuant to Part 6.0.

4.1 QUESTION #1. WILL RESIDENTIAL STRUCTURES BE DEMOLISHED OR CONVERTED FOR PURPOSES OF A NON-RESIDENTIAL USE ?

The Mello Act states that the Demolition or Conversion of residential structures for purposes of a non-Coastal-Dependent, non-residential use is prohibited, unless the local jurisdiction first finds that a residential use is no longer feasible at that location. This prohibition applies to all residential structures, regardless of the following factors:

- The income of current or past occupants;
- The form of ownership (whether the Residential Units are for-sale units or rentals); and
- Rents charged, for-sale prices, or appraised value.

If the answer to question #1 is “yes,” and existing residential structures are proposed for Demolition or Conversion for purposes of a non-residential use, then staff shall go to question #2 to determine if the proposed use is Coastal-Dependent.

If the answer to question #1 is “no,” staff shall skip to question #4 to determine if any of the Residential Units proposed for Demolition or Conversion are occupied by Very Low, Low or Moderate Income Households. These Residential Units are termed, “Affordable Existing Residential Units.”

4.2 QUESTION #2. IS THE PROPOSED NON-RESIDENTIAL USE COASTAL-DEPENDENT?

Coastal-Dependent uses are uses which requires a site on, or adjacent to, the sea in order to function at all. Examples of Coastal-Dependent uses include fisheries and boating and harbor facilities.

If the answer to question #2 is “yes,” and the proposed non-residential uses are Coastal-Dependent, staff shall skip to question#4. The Demolition or Conversion may be approved, but only upon the condition the Applicant provides all required Affordable Replacement Units identified through the Mello Act compliance review process.

If the answer to question #2 is “no,” and the proposed non-residential uses are not Coastal-Dependent, staff shall go to question #3.

4.3 QUESTION #3. IS A RESIDENTIAL USE FEASIBLE AT THIS LOCATION?

Because the site contains a residential structure, the City presumes that a residential use is feasible. The Applicant may challenge the City’s presumption by presenting substantial evidence to the contrary directly to DCP/ZAD staff (for Non-Discretionary Applications); and to the decision-maker (for Discretionary Applications).

The following shall be considered in reviewing an Applicant’s challenge of the City’s presumption:

- The Applicant has the burden of proof. Proximity to other existing, viable residential uses is strong evidence that a residential use is feasible.
- An Applicant may not claim infeasibility merely because the site is zoned commercial. Commercial zones in the City of Los Angeles generally permit residential uses. However, in some cases a “Q” or “D” limitation may be imposed on a particular property which prohibits residential uses.
- If the existing, underlying zoning or any other applicable regulation prohibits all residential uses, then the Applicant may cite those facts if the Applicant is challenging the City’s presumption. If an Applicant has non-conforming or other rights which permit a continued residential use, then the Applicant may not contend that the existing zoning renders a residential use infeasible.
- An Applicant may not initiate and obtain approval for a zone change which prohibits residential uses and subsequently claim infeasibility based on that zone change.

- An Applicant may not claim infeasibility merely because the site is zoned industrial if a Zoning Administrator had previously approved joint living and work quarters for that site. A Zoning Administrator's grant runs with the land.
- An Applicant may not claim financial infeasibility unless it can clearly document an inability to rent or sell the current premises based on the site's unique characteristics or circumstances. Unique characteristics or circumstances include proximity to noxious and incompatible existing uses that are likely to remain, and that render a continued residential use infeasible. If challenging the City's presumption, an Applicant may not cite mere proximity to commercial or industrial uses.
- An Applicant may claim infeasibility due to the site's unique geologic or other topographical features which render it unsafe for human habitation. Applicants must provide supporting documentation.
- An Applicant may not claim infeasibility because the current premises are dilapidated or are in a state of disrepair due to the Applicant's failure to make reasonable repairs or to adequately maintain the site. The City may require the Applicant to correct substandard conditions before it will further consider an Applicant's challenge of the City's presumption.

If the Applicant has proved with substantial evidence that a residential use is infeasible, staff shall record a "no" answer to question #3, and go to question #4.

If the Applicant has not proved with substantial evidence that a residential use is infeasible, staff shall record a "yes" answer to question #3. This stops the Mello Act Compliance Review process. The Discretionary or Non-Discretionary Application shall be denied. A determination shall be issued pursuant to Part 6.0.

4.4 QUESTION #4. ARE ANY AFFORDABLE EXISTING RESIDENTIAL UNITS PROPOSED FOR DEMOLITION OR CONVERSION?

To answer question #4, staff shall refer the Applicant to the Los Angeles Housing Department (LAHD). LAHD has sole responsibility for determining whether any existing Residential Units are Affordable Existing Residential Units. If LAHD identifies Affordable Existing Residential Units, DCP/ZAD staff shall record the total number of identified units in the "yes" box, and go to question #5.

If LAHD does not identify any Affordable Existing Residential Units, DCP/ZAD staff shall record a "zero" in the "no" box. This stops the Mello Act Compliance Review process. The Applicant is not required to provide any Affordable Replacement Units. A determination pursuant to Part 6.0 shall be issued.

LAHD shall identify Affordable Existing Residential Units by completing steps one through six below for each referred Residential Unit. The Applicant is liable and responsible for all postage and other costs necessary to complete the occupant income determination process. LAHD has the authority to specify the processes Applicants must follow in order for the occupant income determination process to be successfully completed.

4.4.1 STEP ONE. SEND GENERAL NOTICE TO ALL BUILDING OCCUPANTS.

When LAHD receives a referral from DCP/ZAD of a proposed Demolition or Conversion, LAHD shall send a general notice to all current building occupants which contains the following:

- A description of the proposed Demolition or Conversion;
- An explanation of the purpose of the Mello Act and the City's Mello Act compliance review process;
- A description of the rights that building occupants determined to have a Very Low, Low or Moderate Income shall have, including a right of first refusal on an Affordable Replacement Unit;
- A referral to a specified source of further assistance, to be selected by Western Center on Law and Poverty, Inc. Until further notice from Western Center on Law and Poverty, Inc., the general notice shall contain the following referral:

Richard A. Rothschild
Western Center on Law and Poverty, Inc.
3701 Wilshire Boulevard, Suite 208
Los Angeles, CA 90010-2809

- A City telephone number to call for additional information.

4.4.2 STEP TWO. IDENTIFY LONG-TERM VACANT RESIDENTIAL UNITS.

A Residential Unit shall not be classified as an Affordable Existing Residential Unit if it has been unoccupied for more than 365 consecutive days prior to the Application's filing.

The Applicant has the burden of proving long-term vacancy. If the Applicant has established long-term vacancy, then LAHD shall not classify the Residential Unit as an Affordable Existing Residential Unit.

4.4.3 STEP THREE. DETERMINE OCCUPANT INCOME BASED ON MONTHLY HOUSING COST OR ACTUAL INCOME DATA.

LAHD may determine occupant income using Monthly Housing Cost as a substitute for actual income, or by collecting and verifying actual income. Pursuant to the definition set forth in Attachment 1, an existing Residential Unit is classified as an Affordable Existing Residential Unit if at least one person or family occupying the unit (excluding dependents) is of Very Low, Low or Moderate Income.

If current Monthly Housing Cost data indicates that the existing Residential Unit is affordable to a Very Low, Low or Moderate Income Household, then that Residential Unit shall be presumed to be occupied by a person or family with a Very Low, Low or Moderate Income. If not, LAHD shall collect prior Monthly Housing Cost data for at least the previous three years. If the average Monthly Housing Cost over this period indicates that the existing Residential Unit is affordable to a Very Low, Low or Moderate Income Household, then that Residential Unit shall be presumed to be occupied by a person or family with a Very Low, Low or Moderate Income. If three years of Monthly Housing Cost data is not available or readily obtainable, then LAHD shall determine occupant income through the direct collection and verification of actual income data.

If occupant income is based on Monthly Housing Cost, LAHD shall go to step four. If occupant income is based on actual income, LAHD shall:

- Go to step five if the person or family DOES NOT have a Very Low, Low or Moderate Income; or
- Go to step six if the person or family DOES have a Very Low, Low or Moderate Income.

4.4.4. STEP FOUR. VERIFY ACCURACY OF OCCUPANT INCOME BASED ON MONTHLY HOUSING COST DATA.

LAHD shall provide occupants and Applicants with the opportunity to verify the accuracy of occupant income determinations based on Monthly Housing Cost.

LAHD shall provide persons and families presumed not to have a Very Low, Low or Moderate income with the opportunity to submit data verifying actual income. Likewise, LAHD shall provide Applicants with a roster of occupants presumed to have a Very Low, Low or Moderate Income, who may then submit data verifying actual income. LAHD is responsible for verifying the accuracy of any submitted income data. LAHD shall use actual income data to correct any incorrect occupant income determinations based on Monthly Housing Cost.

Based on this review, LAHD shall:

- Go to step five if the person or family DOES NOT have a Very Low, Low or Moderate Income; or

- Go to step six if the person or family DOES have a Very Low, Low or Moderate Income.

4.4.5 STEP FIVE. IDENTIFY AND DETERMINE IF ANY EVICTIONS WERE FOR THE PURPOSE OF EVADING THE MELLO ACT.

LAHD shall conduct an investigation to carry out the following Mello Act provisions concerning evictions:

“For purposes of this subdivision, a residential dwelling unit shall be deemed occupied by a person or family of low or moderate income if the person or family was evicted from that dwelling unit within one year prior to the filing of an application to convert or demolish the unit and if the eviction was for the purpose of avoiding the requirements of this subdivision. If a substantial number of persons or families of low or moderate income were evicted from a single residential development within one year prior to the filing of an application to convert or demolish the structure, the evictions shall be presumed to have been for the purpose of avoiding the requirements of this subdivision and the applicant for the conversion or demolition shall bear the burden of proving that the evictions were not for the purpose of avoiding the requirements of this subdivision.”

LAHD shall identify those Residential Units presumed to have a Very Low, Low or Moderate Income based on its investigation. After completing step five, LAHD shall go to step six.

4.4.6 STEP SIX. LAHD SHALL INFORM THE DEPARTMENT OF CITY PLANNING, ZONING ADMINISTRATION DIVISION (DCP/ZAD) OF THE RESULTS OF ITS OCCUPANT INCOME DETERMINATION PROCESS.

LAHD shall prepare a report for DCP/ZAD staff which contains the following information for each referred Demolition and Conversion:

One-Family Dwellings

- Total number of Residential Units
- Total number of Affordable Existing Residential Units

Two-Family Dwellings

- Total number of Residential Units
- Total number of Affordable Existing Residential Units

Triplexes and Other Structures that Contain Three or More Residential Units

- Total number of Residential Units
- Total number of Affordable Existing Residential Units

Summary

- Total number of Residential Units
- Total number of Affordable Existing Residential Units

LAHD shall also provide the following information for each identified Affordable Existing Residential Unit:

- Address
- Names of occupants
- Number of bedrooms

The Mello Act generally requires the one-for-one replacement of demolished or converted Affordable Existing Residential Units within three years of the date that work commenced on the Demolition or Conversion. There are two limited exceptions to this general rule. The purpose of answering Worksheet questions #5 through #8 is to determine whether the Applicant is exempt from replacing any of the Affordable Existing Residential Units identified by LAHD.

4.5 QUESTION #5. IS THE APPLICATION FOR COASTAL-DEPENDENT OR COASTAL-RELATED NON-RESIDENTIAL USES? ARE THESE NON-RESIDENTIAL USES CONSISTENT WITH THE LAND USE PLAN OF A CERTIFIED LOCAL COASTAL PROGRAM?

If the answer to both questions is “yes,” the Application fits into the first exception category. Staff shall skip to question #8. If the answer to either question is “no,” the Application does not fit into the first exception category. Staff shall go to question #6.

As of the effective date of these Interim Administrative Procedures, the California Coastal Commission has not certified any LCPs in the City of Los Angeles. Consequently, no Applications currently fit into the first exception category. Until this situation changes, staff shall automatically record a “no” answer to question #5, and go to question #6.

4.6 QUESTION #6. ARE 11 OR MORE RESIDENTIAL UNITS PROPOSED FOR DEMOLITION OR CONVERSION?

If the total number of Residential Units proposed for Demolition or Conversion is ten or fewer, staff shall record a “no” answer to question #6. Staff shall go to question #7.

If the Applicant is proposing to demolish or convert 11 or more Residential Units, staff shall record a “yes” answer to question #6. All of the Affordable Existing Residential Units recorded in the answer to question #4 must be replaced. The second exception category applies to a maximum of ten Residential Units.

4.7 QUESTION #7. ARE ANY AFFORDABLE EXISTING RESIDENTIAL UNITS IN ONE-FAMILY OR TWO-FAMILY DWELLINGS?

If the answer to question #7 is “yes,” staff shall go to question #8. If the answer to question #7 is “no,” and all of the Affordable Existing Residential Units are in triplexes and other structures that contain three or more Residential Units, then all of the Affordable Existing Residential Units recorded in the answer to question #4 must be replaced. The second exception category does not apply to triplexes or other structures that contain three or more Residential Units.

4.8 QUESTION #8. IS IT INFEASIBLE FOR THE APPLICANT TO REPLACE ANY OF THE AFFORDABLE EXISTING RESIDENTIAL UNITS IDENTIFIED BY ANSWERS TO QUESTIONS #5 AND #7?

The purpose of answering question #8 is to determine if it is feasible for the Applicant to provide Affordable Replacement Units if the proposed Demolition or Conversion fits into the first exception category (consistency with a certified LCP, question #5); or the second exception category (ten or fewer Residential Units consisting of one-family and/or two-family dwellings, question #7). If the proposed Demolition or Conversion does not fit into an exception category, then all of the Affordable Existing Residential Units recorded in the answer to question #4 must be replaced.

To answer question #8, DCP/ZAD staff shall instruct the Applicant to complete Form CP-6391, Los Angeles City Planning Department Moderate-Income Housing Purchase Feasibility Analysis (Attachment 3). DCP/ZAD staff shall review the submitted data, taking into consideration the typical public subsidies and other affordable housing incentives available by-right, to determine whether it's feasible for the Applicant to replace some or all of the Affordable Existing Residential Units identified by answers to questions #5 and #7.

If the answer to question #8 is "yes," how many Affordable Replacement Units is it infeasible for the Applicant to provide? Record this number in the "yes" box for question #8. Then subtract this number from the number recorded in the answer to question #4. Record the result on the line following question #8. This is the total number of required Affordable Replacement Units.

If the answer to question #8 is "no," then it's feasible for the Applicant to replace all of the Affordable Existing Residential Units recorded in the answer to question #4. Record a "zero" in the "no" box for question #8. Then record the number recorded in the "yes" box for question #4 on the line following question #8. This is the total number of required Affordable Replacement Units.

This concludes the Mello Act Compliance Review process for proposed Demolitions and Conversions in the Coastal Zone. A determination shall be issued pursuant to Part 6.0.

5.0 NEW HOUSING DEVELOPMENTS

Based on the Coastal Commission Guidelines, the Council has found that it is generally feasible for New Housing Developments consisting of ten or more Residential Units to provide Inclusionary Residential Units. Applicants shall implement one of the following two required inclusionary options:

- Inclusionary Requirement Option #1. Reserve at least 20 percent of all Residential Units for Inclusionary Residential Units for Very Low or Low Income Households; or
- Inclusionary Requirement Option #2. Reserve at least ten percent of all Residential Units for Inclusionary Residential Units for Very Low Income Households.

The provision of Inclusionary Residential Units for seniors or disabled persons who do not have a Very Low or Low Income does not fulfill the inclusionary requirements for New Housing Developments.

6.0 DETERMINATIONS

A determination shall be issued for each non-Categorically Exempt Demolition, Conversion, and New Housing Development.

For Discretionary Applications, the decision-maker shall issue the determination as written conditions attached to the determination made with respect to the underlying case. All completed forms, correspondence received and sent, and other supporting documentation shall be attached to the file created for the underlying case.

For Non-Discretionary Applications, DCP/ZAD staff shall issue the determination as a Director's Determination. Staff shall also prepare a file, and attach all completed forms, correspondence received and sent, and other supporting documentation.

A copy of each determination shall be simultaneously transmitted to the Applicant, the Department of Building and Safety, LAHD, all building occupants, and:

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6.1 DEMOLITIONS AND CONVERSIONS

Each determination shall include the following:

- Results of the Mello Act compliance review process completed in Part 4.0;
- Total number of Affordable Existing Residential Units identified by LAHD;
- Total number of required Affordable Replacement Units recorded on the Mello Act Compliance Review Worksheet;
- A requirement that the Applicant comply with the requirements set forth in Parts 7.2, 7.4, and 7.5;
- A statement that the Application is not approved until LAHD has approved the Affordable Housing Provision Plan prepared pursuant to Part 7.4; and
- Information for Appellants pursuant to Part 8.0.

6.2 NEW HOUSING DEVELOPMENTS

Each determination shall include the following:

- A requirement that the Applicant comply with one of the Inclusionary Requirement Options set forth in Part 5.0;
- Total number of Inclusionary Residential Units required under both Options #1 and #2;

- A requirement that the Applicant comply with the requirements set forth in Parts 7.3, 7.4, and 7.5; and
- A statement that the Application is not approved until LAHD has approved the Affordable Housing Provision Plan pursuant to Part 7.4; and
- Information for Appellants pursuant to Part 8.0.

7.0 GENERAL PROVISIONS

The following general provisions apply to Applicants required to provide Affordable Replacement Units or Inclusionary Residential Units as set forth in a determination issued pursuant to Part 6.0.

7.1 AFFORDABLE HOUSING INCENTIVES

Applicants may be entitled to some or all of the incentives set forth in Section 12.22 A 25 of the Los Angeles Municipal Code, including a Density Bonus.

7.2 AFFORDABLE REPLACEMENT UNITS

7.2.1 INCOME TARGETING

Affordable Replacement Units may be provided at any level of affordability. For example, an Affordable Existing Residential Unit occupied by a Very Low Income Household may be replaced with an Affordable Replacement Unit affordable to a Moderate Income Household. The Council may change this policy when the Interim Ordinance is adopted and require “like for like” replacement (e.g., an Affordable Existing Residential Unit occupied by a Very Low Income Household shall be replaced with an Affordable Replacement Unit affordable to a Very Low Income Household.)

7.2.2 LOCATION

Affordable Replacement Units shall be located on-site, or elsewhere within the Coastal Zone. Applicants claiming it is infeasible for them to comply with this requirement may request permission to provide the required units within three miles of the Coastal Zone by submitting an appeal pursuant to Part 8.0. Applicants should consult the Department of City Planning’s three mile radius Coastal Zone maps to identify potential sites located outside the Coastal Zone.

7.2.3 TIMING REQUIREMENT

Required Affordable Replacement Units shall be provided within three years of the date that work commenced on the Demolition or Conversion. The Department of Building and Safety shall determine the date that “work commenced” on the Demolition or Conversion.

7.2.4 PERFORMANCE STANDARDS

If Affordable Replacement Units are included as part of mixed-income New Housing Developments, then Applicants shall comply with the following portions of the Performance Standards set forth in the Affordable Housing Incentives Guidelines (Attachment 4):

- Project design (Section 4A, page 7); and
- Equal distribution of amenities (Section 4B, page 8).

All other Applicants shall comply with the project design and amenities requirements promulgated by LAHD.

7.3 INCLUSIONARY RESIDENTIAL UNITS

7.3.1 LOCATION

Inclusionary Residential Units shall be located on-site. Applicants claiming it is infeasible for them to comply with this requirement may request permission to provide the required units elsewhere within the Coastal Zone, or within three miles of the Coastal Zone, by submitting an appeal pursuant to Part 8.0. Applicants should consult the Department of City Planning’s three mile radius Coastal Zone maps to identify potential sites located outside the Coastal Zone.

Based on the Coastal Commission Guidelines, the Council has found that it is generally more feasible for New Housing Developments that consist of 21 or more Residential Units to provide units on-site than it is for New Housing Developments that consist of 10-20 units to provide units on-site.

7.3.2 TIMING REQUIREMENT

If Inclusionary Residential Units are approved for off-site provision, they shall be provided within three years of the date that LAHD approved the Affordable Housing Provision Plan pursuant to Part 7.4 below. A New Housing Development’s Inclusionary Residential Units and market-rate Residential Units shall be made available at the same time.

7.3.3 PERFORMANCE STANDARDS

Applicants shall comply with the following portions of the Performance Standards set forth in the Affordable Housing Incentives Guidelines (Attachment 4):

- Project design (Section 4A, page 7); and

- Equal distribution of amenities (Section 4B, page 8).

7.4 AFFORDABLE HOUSING PROVISION PLAN

Applicants required to provide Affordable Replacement Units or Inclusionary Residential Units shall prepare an Affordable Housing Provision Plan that specifies how the Applicant shall carry out the conditions contained in the determinations issued pursuant to Part 6.0, and the requirements set forth in Parts 7.2 and 7.3 above, and Part 7.5 below.

Applicants shall submit their Affordable Housing Provision Plan to LAHD for review and approval. Applications only receive final approval after LAHD has approved the Affordable Housing Provision Plan.

The Affordable Housing Provision Plan shall include the following elements:

7.4.1 METHODS TO PROVIDE REQUIRED AFFORDABLE UNITS

Applicants may propose to provide required Affordable Replacement Units or Inclusionary Residential Units through one or any combination of the following methods:

- New construction; or
- Adaptive reuse (conversion of existing non-residential structures).

7.4.2 OPERATIONAL DETAILS

Applicants shall supply the following operational details:

- Address where Affordable Replacement Units or Inclusionary Residential Units will be provided, if the determination permits these Units to be provided off-site.
- General description of the Affordable Replacement Units or Inclusionary Residential Units to be provided, including the number and type of habitable rooms; square footage; and parking.
- Affordable housing incentives and subsidies that will be utilized;
- Methods for complying with the Performance Standards set forth in Parts 7.2.4 and 7.3.3, including a dispersal plan if Affordable Replacement Units or Inclusionary Residential Units shall be provided on-site. Affordable Replacement Units or Inclusionary Residential Units may not be segregated from market-rate units, but shall be reasonably dispersed throughout the building; and

- Financing; construction plan; and project timetable for complying with the timing requirements set forth in Part 7.2.3 for Affordable Replacement Units, and Part 7.3.2 for Inclusionary Residential Units.

7.5 ENFORCEMENT AND MONITORING

7.5.1 AFFORDABILITY COVENANTS

Applicants required to provide Affordable Replacement Units or Inclusionary Residential Units shall record a covenant with the Los Angeles County Recorder guaranteeing that applicable affordability criteria shall be observed for at least 30 years from the issuance of the Certificate of Occupancy. The Council may include a requirement for 55-year affordability covenants in the Interim Ordinance.

Tenants, rental applicants, purchasers and prospective purchasers of the Affordable Replacement Units or the Inclusionary Residential Units shall have the right to seek an injunction to enforce the affordability criteria, or to raise the affordability criteria as a defense or counterclaim to a claim for rent or possession directly against the owner, manager, and/or their successors in interest, of those units.

7.5.2 FINANCIAL ASSURANCES

The LAHD may require the Applicant to post a bond or make other financial assurances to assure compliance with the final approved Affordable Housing Provision Plan.

7.5.3 MONITORING REQUIREMENTS

All Applicants shall comply with the monitoring requirements set forth in Section IVC of the Affordable Housing Incentives Guidelines (page 10 of Attachment 4).

8.0 APPEALS

Determinations may be appealed. The determination shall identify deadlines, filing fees, the appellate body, and other necessary procedures and requirements for considering the appeal.

Appellants have the burden of proof and shall present substantial evidence to support their appeal. A copy of the results of each appeal shall be simultaneously transmitted to the Applicant, the Department of Building and Safety, LAHD, all building occupants, and:

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8.1 DISCRETIONARY APPLICATIONS

The appeals procedures and appellate body shall be those connected to the underlying case.

8.2 NON-DISCRETIONARY APPLICATIONS

Appellants may appeal a Director's Determination using the forms and following the procedures promulgated by the DCP/ZAD. Until July 1, 2000, the appellate body shall be the Board of Zoning Appeals. After July 1, 2000, the appellate body shall be the Area Planning Commission.

8.3 DEPARTMENT OF BUILDING AND SAFETY ACTIONS

Appellants may appeal Department of Building and Safety decisions and determinations to the Board of Building and Safety Commissioners pursuant to Los Angeles Municipal Code Section 98.0403.1.

ATTACHMENT 1

DEFINITIONS

The following words, whenever used in these Interim Administrative Procedures, shall be construed as defined in this Attachment. Words and phrases not defined shall be construed as defined in Sections 12.03 and 91.0200, *et sec*, of the Los Angeles Municipal Code as defined therein.

“Affordable Housing Incentives Guidelines” means the guidelines adopted by the City Planning Commission on December 14, 1995, as amended, pursuant to Ordinance No. 170,764, which implement California Government Code Section 65915 in the City of Los Angeles.

“Affordable Replacement Unit” means a Residential Unit built or provided that has the same number of bedrooms as the Affordable Existing Residential Unit that has been demolished or converted, with an Affordable Monthly Housing Cost.

“Affordable Monthly Housing Cost” refers, for ownership units, to the current definition contained in Health and Safety Code Section 50052.5, as further defined in 25 California Code of Regulations Section 6920. For rental units, “Affordable Monthly Housing Cost” refers to the current definition contained in Health and Safety Code Section 50053, as further defined in 25 California Code of Regulations Section 6918.

“Affordable Existing Residential Unit” means an existing Residential Unit proposed for Demolition or Conversion that is occupied by a Very Low, Low or Moderate Income Household, as determined by the Housing Department General Manager, following the occupant income determination process set forth in the Interim Administrative Procedures.

In the event that an existing Residential Unit is occupied by more than one person or family, and if at least one such person or family (excluding any dependents) is of Very Low, Low or Moderate Income, then the existing Residential Unit is defined as an Affordable Existing Residential Unit.

“Appellant” means the Applicant, current occupant, former occupant evicted within the last year, or other aggrieved person who files an appeal pursuant to the Interim Administrative Procedures.

“Applicant” means the person, partnership, corporation, governmental organization, or other entity submitting a Discretionary Application and/or a Non-Discretionary Application to the City of Los Angeles.

“Application, Discretionary” means the original application for, or submission of a subsequent non-minor modification to, one or more of the following entitlements: approval-in-concept, coastal development permit, conditional use permit, condominium

conversion, development agreement, plan approval, specific plan exception, subdivision or tract map, variance, zone change or any other action that first requires the discretionary approval of the Director of Planning, the City Planning Commission, the Zoning Administrator, the Advisory Agency, or an Area Planning Commission.

“Application, Non-Discretionary” means an application for a building permit, demolition permit, or change of use permit that requires the ministerial approval of the Department of Building and Safety.

“Categorical Exemption” means an Application that the City has determined is categorically exempt from providing either Affordable Replacement Units or Inclusionary Residential Units, consistent with the Mello Act and these Interim Administrative Procedures.

“Coastal Commission Guidelines” means the California Coastal Commission Interpretive Guidelines on Construction of New Housing adopted by the California Coastal Commission on May 5, 1981.

“Coastal-Dependent Non-Residential Use” means any non-residential development or use which requires a site on, or adjacent to, the sea to be able to function at all.

“Coastal Development Permit” means a permit for any development within the Coastal Zone that is required pursuant to Subdivision (a) of Section 30600 of the California Coastal Act.

“Coastal-Related Nonresidential Use” means any nonresidential development or use that is dependent on a Coastal-Dependent Non-Residential Use.

“Coastal Zone” means the Coastal Zone, as defined in California Public Resources Code, Division 20 (commencing with Section 30000), including, but not limited to, the Coastal Zone portions of Venice, San Pedro, Pacific Palisades, Playa Vista, Wilmington, Fort MacArthur/White Point, Palms/Marina Freeway Area, and Del Ray Lagoon, as depicted on the City of Los Angeles Coastal Zone Maps, as prepared and maintained by the Department of City Planning. In the case of any discrepancy, the Public Resources Code shall control.

“Conversion” means a change of one or more existing Residential Units to a condominium, cooperative, or similar form of ownership; a change of one or more existing Residential Units to a non-residential use; or a reduction in the existing number of Residential Units. The structure or structures which contain these Residential Units are located on either a single lot or two or more contiguous or tied lots; or conform to the definition of a Unified Development.

“Demolition” means the demolition of one or more existing Residential Units. The structure or structures which contain these Residential Units are located on either a single

lot or two or more contiguous or tied lots; or conform to the definition of a Unified Development.

“Density Bonus” means a minimum density increase of 25 percent over the otherwise maximum allowable residential density granted pursuant to California Government Code Section 65915.

“Director’s Determination” means a determination of the Director of Planning of the Department of City Planning, or his or her designee.

“Feasible” means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technical factors.

“Household, Low Income” means a person or family with an income that conforms to the current definition contained in California Health and Safety Code Section 50079.5, as further defined in 25 California Code of Regulations 6928 and 6932.

“Household, Moderate Income” means a person or family with an income that conforms to the current definition contained in California Health and Safety Code Section 50093 (b), as further defined in 25 California Code of Regulations 6930 and 6932.

“Household, Very Low Income” means a person or family with an income that conforms to the current definition contained in California Health and Safety Code Section 50105, as further defined in 25 California Code of Regulations 6926 and 6932.

“Housing Department General Manager” means the General Manager or his or her designee, of the Los Angeles Department of Housing or successor agency.

“Inclusionary Residential Unit” means a Residential Unit with an Affordable Monthly Housing Cost.

“Interim Administrative Procedures” means the interim administrative procedures developed by the Departments of Building and Safety, City Planning and Housing pursuant to instruction of the City Council on January 19, 2000.

“Interim Ordinance” means the Interim Ordinance that on January 19, 2000, the City Council directed the Department of City Planning to prepare and submit to the City Planning Commission for approval, and that shall be based on the results of the Interim Study.

“Interim Study” means the study that consultants shall complete to assist the City in implementing the Mello Act; updating the Interim Administrative Procedures; and preparing the Interim Ordinance.

“Local Coastal Program” means the Land Use Plan and Local Implementation Plan that a local government has adopted to implement the provisions and policies of the

California Coastal Act, and that has been certified by the California Coastal Commission pursuant to Public Resources Code Section 30512.

“Monthly Housing Cost” means the monthly rent or mortgage for a Residential Unit, as determined by the Housing Department General Manager.

“New Housing Development” means the development of one or more Residential Units for rent or for sale, through either construction of new structures, additions to existing structures, or the adaptive reuse of existing, non-residential structures. The structure or structures which contain these Residential Units are located on either a single lot or two or more contiguous or tied lots; or conform to the definition of a Unified Development.

“Public Nuisance” means a residential structure that has been declared a public nuisance pursuant to Division 13 (commencing with Section 17000) of the California Health and Safety Code; or Chapter IX, Article 1, Division 89 of the Los Angeles Municipal Code.

“Residential Unit” means a dwelling unit, efficiency dwelling unit, or joint living and work quarters as defined in Section 12.03 of the Los Angeles Municipal Code (LAMC); a mobilehome, as defined in Section 18008 of the California Health and Safety Code; a mobilehome lot in a mobilehome park as defined in Section 18214 of the California Health and Safety Code; or a residential hotel as defined in paragraph (1) of subdivision (b) of Section 50519 of the California Health and Safety Code.

“Unified Development” means a development of two or more buildings which have functional linkages such as pedestrian or vehicular connections, with common architectural and landscape features which constitute distinctive design elements of the development, and that appears to be a consolidated whole when viewed from adjoining streets. Unified Developments may include two or more contiguous parcels or lots of record separated only by a street or alley.

ATTACHMENT 2

**MELLO ACT COMPLIANCE REVIEW WORKSHEET
FOR PROPOSED DEMOLITIONS AND CONVERSIONS**

FOR LOS ANGELES CITY PLANNING DEPARTMENT STAFF USE ONLY

Proposed Demolitions and Conversions in the Coastal Zone

MELLO ACT COMPLIANCE REVIEW WORKSHEET

Type of Application:		Application Number:	
Address:			
Project Description:			
QUESTION	YES	NO	
1. Will residential structures be demolished or converted for purposes of a non-residential use? If "yes," go to question #2. If "no," skip to question #4.			
2. Is the proposed non-residential use Coastal-Dependent? If "yes," skip to question #4. If "no," go to question #3.			
3. Is a residential use feasible at this location? If "no," go to question #4. If "yes," stop. The Application to demolish or convert residential structures for purposes of a non-residential use is denied.			
4. Are any Affordable Existing Residential Units proposed for Demolition or Conversion? (Refer the Applicant to the Los Angeles Housing Department.) If "yes," record the number of identified Affordable Existing Residential Units in the "yes" box, and go to question #5. If "no," record a "zero" in the "no" box and stop. The provision of Affordable Replacement Units is not required.			
5. Is the Application for Coastal-Dependent or Coastal-Related non-residential uses? Are these non-residential uses consistent with the Land Use Plan of a certified Local Coastal Program? If the answer to both questions is "yes," skip to question #8. If the answer to either question is "no," go to question #6.			
6. Are 11 or more Residential Units proposed for Demolition or Conversion? If "no," go to question #7. If "yes," all Affordable Existing Residential Units recorded in question #4 must be replaced.			
7. Are any Affordable Existing Residential Units in one-family or two-family dwellings? If "yes," go to question #8. If "no," all Affordable Existing Residential Units recorded in question #4 must be replaced. (if no # go to #8)			
8. Is it infeasible for the Applicant to replace any of the Affordable Existing Residential Units identified by answers to questions #5 and #7? If "yes," how many? Record this number in the "yes" box and subtract it from the number recorded in question #4. Record the result below. This is the total number of required Affordable Replacement Units. If "no," it's feasible for the Applicant to replace all Affordable Existing Residential Units proposed for Demolition or Conversion. Record a "zero" in the "no" box. Record the number recorded in question #4 below. This is the total number of required Affordable Replacement Units.			
Total Number of Required Affordable Replacement Units:			
Completed By:			
Date:			

INSTRUCTIONS: City Planning Department staff must answer each question with a written explanation. Attach supporting documentation to the file. City Planning Department staff must use the Interim Administrative Procedures to complete this Worksheet.

ATTACHMENT 3

LOS ANGELES CITY PLANNING DEPARTMENT MODERATE-INCOME
HOUSING PURCHASE FEASIBILITY ANALYSIS (FORM CP-6391)

Tentative Tract No. _____
 Coastal Development Permit No. _____

LOS ANGELES CITY PLANNING DEPARTMENT
MODERATE-INCOME HOUSING PURCHASE FEASIBILITY ANALYSIS
 (FOR MELLO FINDINGS)

BASIC INFORMATION:

Number of Units: _____	Square footage of garage: _____
Square footage in each unit: _____	Cost per square foot: _____
Number of bedrooms in each unit: _____	Other: _____
Cost per square foot: _____	Cost per square foot: _____

A. ESTIMATED COST*

- 1. Land _____
- 2. Improvement (e.g., grading, sewer, water, street lights, etc.) _____
- 3. Architectural/Engineering _____
- 4. Permit and Fees _____
- 5. Interest and cost of loans _____
- 6a. Construction Cost (total square feet x \$/square feet) _____
- 7. Remodeling, refurbishing, etc. (for condominium conversion) _____
- 8. Other (specify) _____

B. LOANS*

- 1st _____
- 2nd _____
- Construction _____
- Other (specify) _____
- B Total: \$ _____

C. Investment

Cost(A) - Loans(B) = _____
 = \$ _____ C

- 6b. Construction cost with at least one moderate-cost unit of 1,000 square feet \$ _____

Total for ___ market Rate Units	\$ _____	A 1		Total for ___ market Rate Units + 1 moderate unit	\$ _____	A 2
---------------------------------	----------	--------	--	---	----------	--------

* Proof and justification to be provided by the applicant (see page 3 for directions).

Tentative Tract No. _____
 Coastal Development Permit No. _____

D. DURATION OF PROJECT IN MONTHS: _____ D

E. SALES PROJECTIONS:

All units at
MARKET RATES*
 Units x price
 _____ x _____ = \$ _____
 less sales cost
 (specify %) _____ % = \$ _____
 net sales proceeds = \$ _____
 E¹

Assume at least one unit
 (of 1,000 square feet) at
LOW/MODERATE PRICE**
 unit low/moderate price = \$ _____
 others: units x price = \$ _____
 less sales costs
 (specify %) _____ %
 net sales proceeds = \$ _____
 E₂

F. PROFIT/LOSS

MARKET RATES

Profit/Loss = Sales Projection - cost
 = E₁ - A₁
 = \$ _____ F₁

LOW/MODERATE

Profit/Loss = Sales Projection - cost
 = E₂ - A₂
 = \$ _____ F₂

G. RETURN ON INVESTMENT

Percent Return = $\frac{F_1}{C} \times 100 = \text{_____} \%$
 Annual Percent Return = $\frac{F_1}{C} \times 100 \times \frac{12}{D} = \text{_____} \%$

Percent Return = $\frac{F_2}{C} \times 100 = \text{_____} \%$
 Annual Percent Return = $\frac{F_2}{C} \times 100 \times \frac{12}{D} = \text{_____} \%$

Prepared by: _____
 Representative of _____

Date Prepared _____
 Telephone No. _____

** MODERATE-INCOME SALES PRICES: BASED ON 1988 MEDIAN-FAMILY INCOME

1 bedroom	\$ 85,200	3 bedroom	\$116,494
2 bedroom	\$101,175	4 bedroom	\$129,850

Tentative Tract No. _____
Coastal Development Permit No. _____

SUPPLEMENTAL DOCUMENTS TO BE PROVIDED BY THE APPLICANT

A. Estimated Cost

1. Land: provide legal proof of land cost.
2. Improvement: provide itemization of cost for each category of improvement.
3. Architectural/Engineering: Provide itemization of cost and proof.
4. Permit & Fees: provide itemization of cost.
5. Interest and cost of loans: provide itemization of cost and legal proof.
6. Construction Cost: provide itemization of cost for dwelling units and garage.
7. Remodeling, refurbishing, etc.: provide itemization of cost and proof.
(for condominium conversion)
8. Other, (specify): provide itemization of cost and proof.

B. Loans

Provide proof of the amount(s) in dollars, the percentage rate and length of loan(s).

- E. Provide at least three comparables (Sale cost of comparable dwelling units at market rate) within half a mile radius from the project area.

Note: If the above-mentioned documents are not provided by the applicant at the time of the filing, the application is deemed incomplete.

ATTACHMENT 4

AFFORDABLE HOUSING INCENTIVES GUIDELINES

AFFORDABLE HOUSING INCENTIVES GUIDELINES

Implementing the Affordable Housing
Incentives Program Ordinance No. 170,764

Table of Contents

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AFFORDABLE HOUSING INCENTIVES GUIDELINES

I. SCOPE AND PURPOSE

The City of Los Angeles has established an Affordable Housing Incentives Program to encourage the production of housing for qualified lower income residents, including elderly and disabled persons. The program is based on a series of amendments to the Municipal Code. The Affordable Housing Incentives Guidelines, established by resolution of the City Planning Commission, facilitate the use of incentives established by law.

The Municipal Code now encourages broader application for the density bonus provisions of State law by creating incentives that eliminate discretionary review for qualifying developments, relax land use controls, defer payment of fees, and expedite application processing. These incentives, as explained in this document, are grouped into two main options.

The eligibility of a development to benefit from the incentives is determined on a case-by-case basis through application of performance standards. These guidelines set forth in detail the incentives for which developments may qualify and the standards by which they will be evaluated. The guidelines may be modified by resolution of the Planning Commission if needed.

The options permit a developer to receive incentives on the basis of public benefit offered. For example, a limited number of incentives such as reduced parking, deferred fees, and expedited processing are available if restricted affordable dwelling units are provided adjacent to public mass transit.

A development might, however, qualify for a density increase of up to 25%, in addition to the aforementioned incentives, if it meets criteria for tenant "set-asides" established by State law as follows:

- * 10% of dwelling units for "very low" income households (earning no more than 50% of the County median income and paying no more in rent than the amount established by the Los Angeles Housing Department (LAHD) for households earning up to 50% of the median income),
OR
- * 20% of dwelling units for "lower" income households (earning no more than 80% of the County median income and paying no more in rent than the amount established by LAHD for households earning up to 60% of the median income),
OR
- * 5% of dwelling units for disabled persons whose household income does not exceed Supplemental Security Income (SSI) levels.

Affordable Housing Incentives Program Applications are available at the Public Counter of the City Planning, Building and Safety Departments and at the Department of Housing. Completed applications must be submitted to the Department of Building and Safety for review and approval. Full compliance with each component is required to receive a density bonus or parking reduction without a density bonus.

II. DEFINITIONS

The following program definitions apply:

Affordable Accessible Unit - a dwelling unit or guest room that is adapted to be used by persons who are physically disabled, based on the criteria of Title 24 of the California Code of Regulations or any amendment thereto, where the household income of the residents does not exceed Social Security Supplementary Income (SSI) levels, and where the rent is restricted to no more than approximately 30% of the resident's SSI level according to a rent schedule prepared by the City's Housing Department.

Affordable Housing Incentives Guidelines - the guidelines approved by the City Planning Commission by which applications for affordable housing projects are evaluated for compliance with the goals and policies of the City's Affordable Housing Program.

Affordable Housing Units - dwelling units or guest rooms for which rental or mortgage payments do not exceed the limits stated in Section 65915 of the California Government Code. Dwelling Units or guest rooms designated for lower income households, as defined in Section 50079.5 of the California Health and Safety Code, shall have rents not exceeding 30 percent or 60 percent of the area median income as set forth on the rent schedule prepared by the City's Housing Department or its successor agency. In order for a development project to qualify as a project containing affordable housing units, the owner shall record a document with the Los Angeles County Recorder guaranteeing that these affordability criteria will be observed for at least 30 years from the issuance of the Certificate of Occupancy.

Area Median Income - the estimate of median income in the Los Angeles-Long Beach Primary Metropolitan Statistical Area that is determined periodically by the United States Department of Housing and Urban Development (HUD) or any successor agency, adjusted for household size and which is published periodically.

Density Bonus - a density increase of at least 25% over the otherwise maximum allowable residential density pursuant to California Government Code Section 65915. The density bonus shall apply to housing developments consisting of five or more dwelling units.

Income, Lower and Very Low - annual income of a household that does not exceed the area median for either income category as specified in California Health and Safety Code Sections 50079.5 and 50105, as determined by the City's Housing Department.

Mass Transit Station - a transit stop for a fixed rail system, or a major bus center. A station is one that is currently in use or whose location is proposed and for which a full funding contract has been signed by all funding partners, or one for which a resolution to fund a preferred alignment has been adopted by the Los Angeles County Metropolitan Authority or its successor agency.

Major Bus Route - a bus route with peak-hour headways of 15 minutes or less.

Restricted Affordable Unit - an affordable housing unit in a development rented to a household with very low or lower income residents, and/or very low income senior citizens. In order for a development to qualify as a development containing affordable housing units, the owner shall record a document with the Los Angeles County Recorder guaranteeing that the relevant affordability criteria will be observed for at least 30 years from the issuance of the Certificate of Occupancy.

Senior Citizens - individuals who are at least 62 years of age, except that for density bonus projects of at least 150 dwelling units, a threshold of 55 years of age may be used, provided all applicable city, state, and federal regulations are met.

Single Room Occupancy Hotel - an apartment building, hotel, or other structure containing six or more guest rooms, and which may also contain dwelling units, in which 30% or more of the dwelling units or guest rooms do not contain a private bath and toilet facilities within the dwelling unit or guest room.

III. DESCRIPTION OF THE AFFORDABLE HOUSING INCENTIVES

The following options provide alternatives and incentives by which affordable housing dwelling units may be constructed.

A. Incentives Option 1

This is a minimum "by right" density bonus option provided by State law (Government Code, Section 65915) granted to a residential project which provides the set-aside dwelling units listed on Page 2, Section I of these guidelines, or in which at least 50% of the dwelling units are reserved for senior citizen tenancy. In exchange, the project shall receive the following:

a. A 25% density bonus*

A maximum density increase of 25% over the otherwise allowable residential density pursuant to California Government Code Section 65915. The density bonus applies to new or existing housing developments consisting of five or more dwelling units.

When calculating the number of dwelling units allowed in a project, the density figure will be rounded upwards from fractions of one-half ($\frac{1}{2}$) and more from that permitted by the applicable zone, to allow one additional dwelling unit.

*In cases where dwelling units will be targeted for senior citizens at market rate, the applicant may receive the 25% density bonus, but only through a conditional use permit. Any density bonus of 26% and above requires a conditional use permit.

b. Reduced parking requirements for the restricted dwelling units**

Parking requirements for each restricted affordable dwelling unit is as follows:

- 1.00 parking space per dwelling unit irrespective of the number of habitable rooms
for a project located within 1,500 feet of a mass transit station or major bus routes
- 1.00 parking space per dwelling unit
for restricted affordable dwelling units with 1 and 2 habitable rooms
- 1.50 parking space per dwelling unit
for restricted affordable dwelling units with 3 or more habitable rooms
- 0.50 parking space per dwelling unit or guest room
for dwelling units restricted to senior citizens and/or disabled
- 0.25 parking space per dwelling unit
for single-room occupancy hotels, with a minimum of 5 parking stalls per facility.

**The parking reduction is "by right", subject to conformance with the applicable conditions stipulated in the Affordable Housing Incentives Program Application. Any request for a parking reduction in excess of that permitted in the Affordable Housing Incentives Application shall be processed separately for discretionary action through the Department of City Planning.

c. Waiver of guest parking provision for restricted dwelling units

The requirement to provide guest parking is waived for only restricted dwelling units. Market rate dwelling units shall comply with the parking requirements as specified in the Zoning Code.

d. Deferred payment of selected permits and fees

The application and environmental fees (Department of City Planning) may be deferred up to the time of the issuance of any Certificate of Occupancy. However, fees must be paid for services performed regardless of project outcome.

e. Expedited processing of building plans and permits

Projects providing affordable housing will receive expedited processing as currently available.

B. Incentives Option 2

All the incentives listed above under Option 1, except the density bonus (incentive (a)) are also available to developers for projects that offer fewer affordable dwelling units than the amount listed on Page 1, Section I of these guidelines. Those projects are not entitled to the 25% density bonus available in Option 1.

AFFORDABLE HOUSING INCENTIVES PROGRAM Options Summary

Under Incentives Option 1, if a project of 5 or more dwelling units provides:

<p>10% "very low" income, or 20% "lower" income, or 5% affordable accessible dwelling units</p>	→
---	---

the applicant shall receive the following:

- | |
|---|
| <ul style="list-style-type: none"> a. 25% Density Bonus b. reduced parking for restricted dwelling units c. waiver of guest parking provisions for restricted units d. deferred payment of fees and permits e. expedited processing of plans and permits |
|---|

Under Incentives Option 2, if a project provides dwelling units for:

<p>low income seniors, or low income disabled persons, or other low income households with incomes at 80% or less of County median with rents set at 60% of median</p>	→
--	---

the applicant shall receive the following:

- | |
|--|
| <ul style="list-style-type: none"> b. reduced parking for restricted dwelling units c. waiver of guest parking provisions for restricted dwelling units d. deferred payment of fees and permits e. expedited processing of plans and permits |
|--|

Settlement
P. 1a reals
compliance
w/ 4A + 4B

IV. PERFORMANCE STANDARDS FOR OPTIONS 1 AND 2

The Performance Standards listed and described below are requirements of all projects with restricted dwelling units for which OPTION 1 or 2 is sought. The Performance Standards are included into three main categories:

- A. Project Design (Location of Restricted Units, Noise, Wall, Lighting)
- B. Equal Distribution of Amenities
- C. Eligibility, Affordability and Monitoring Requirements

A. Project Design

- Design of Restricted Affordable Units in Mixed-Income Projects:

Restricted dwelling units shall be comparable in every manner, except in the quality of interior "finish" materials (e.g., floor and wall coverings), to market-rate dwelling units, including total square footage, bedrooms size, closet space, amenities, number of bathrooms, etc. The design of restricted dwelling units should generally reflect the average number of bedrooms per dwelling unit in the development.

Restricted dwelling units shall not be confined to one type of dwelling unit within a development.

- Location of Restricted Units Within Mixed-Income Projects:

Restricted dwelling units must be interspersed among market-rate dwelling units within the same building. They may not be grouped together on one level or in one or more "less desirable" corners or areas of the building. In multiple building developments, restricted dwelling units must be reasonably dispersed among the buildings.

- Noise

Common recreational uses, such as swimming pools and barbecue areas, shall not be located immediately adjacent to neighboring residential uses.

Any building within 500 feet of a railroad, major highway or freeway, airport or aircraft pathway shall be constructed so as to provide a Sound Transmission Class of 50 or greater as defined in the Uniform Building Code.

- Wall

A decorative masonry wall 6 feet in height shall be constructed along any common property line between the subject property and any adjoining property containing a single-family use.

- Lighting

Lighting shall be located so as not to shine onto any adjacent residential property.

B. Equal Distribution of Amenities

Residents of restricted dwelling units may not be charged for amenities that are provided at no cost to other residents including, but not limited to, access to recreational facilities, parking, cable TV, and interior amenities such as dishwashers and microwave ovens.

Optional services provided must be optional for all residents, and available to all under the same terms and conditions.

All incentives (e.g. one month free rent specials) must be offered to all new residents, not only residents of market rate dwelling units.

C. Affordability, Eligibility and Monitoring Requirements

Affordability Requirements:

1. All restricted dwelling units shall comply with the affordability restrictions on household income as established by the Los Angeles Housing Department ("LAHD") in conformance with the U.S. Department of Housing and Urban Development.
2. The affordability restrictions for income and rent are subject to change periodically. The owner can contact LAHD to receive the periodic changes in the affordability restrictions.
3. For the purpose of a density bonus incentive, State law requires that households with incomes between 60% and 80% of the median income be assigned rents that do not exceed 60% of the median rent.
4. For developers seeking a parking reduction without a density bonus, dwelling units must be restricted to low income households (80% of median) with rent levels set at the rates for households with incomes at 60% of median.
5. The project shall reserve and maintain the number of dwelling units designated as restricted dwelling units for a period of not less than 30 years from the issuance of any Certificate of Occupancy.

Below is the Affordable Housing Incentives Program maximum rent schedule by bedroom size.

MAXIMUM RENTS EFFECTIVE MAY 5, 1995

No. of Bedrooms	Affordable Accessible SSI Levels	Very Low Income up to 50% Median	Lower Income up to 60% Median
SRO	\$181	\$332	\$398
0	\$181	\$372	\$427
1	\$181	\$426	\$488
2	\$330	\$479	\$549
3	\$330	\$579	\$659
4	\$330	\$660	\$756

These rents are the upper limits that may be charged to "lower", "very low" income and Disabled households. The actual rents charged to households of restricted dwelling units may be lower to reflect actual market conditions.

Eligibility of Seniors and Disabled Persons:

Each dwelling unit so designated shall be occupied by at least one person who is disabled or 62 years of age or older. Disabled persons are those persons having a physical or mental impairment which seriously restricts that person from operating a motor vehicle, is expected to be of long-term and indefinite duration, which substantially impedes his or her ability to live independently, and is of a nature that such ability could be improved by more suitable housing conditions.

Below are the Affordable Housing Incentives Program Household Income eligibility criteria.

HOUSEHOLD INCOME TABLE EFFECTIVE MAY 5, 1995

Household Size	Affordable Accessible SSI Levels	Very Low Income* 50% Median	Lower Income* 80% Median
1	\$ 7,236	\$17,950	\$28,150
2	\$13,200	\$20,500	\$32,150
3	\$13,200	\$23,100	\$36,200
4	\$13,200	\$25,650	\$40,200
5	\$13,200	\$27,700	\$43,400
6	\$13,200	\$29,750	\$46,650
7	\$13,200	\$31,800	\$49,850
8	\$13,200	\$33,850	\$53,050

*Above limits are adjusted for Los Angeles and based on the 1995 HUD-Determined County Median Family Income of \$45,200.

Monitoring Requirements:

All projects shall comply with the annual monitoring requirements established by the Los Angeles Housing Department (LAHD) by means of a covenant and agreement.

It is the responsibility of the owner to notify LAHD of any changes in the building that may affect compliance, such as change of ownership, management agent or on-site manager, vacancies in restricted dwelling units, or changes in compliance with the performance standards approved by the Department of Building and Safety.

The following are LAHD requirements (a complete list is found in the LAHD covenant):

1. LAHD must complete initial reviews of new tenants eligibility for restricted dwelling units prior to occupancy.
2. LAHD must annually review tenants eligibility for restricted dwelling units.
3. LAHD must receive an annual review letter from the owner about the number of restricted dwelling units, household income and size, rent levels, dwelling unit size and verification of vacancies. LAHD may at any time audit the building occupancy to monitor restricted dwelling units.
4. LAHD may make annual site visits to ensure that the restricted dwelling units are maintained in decent, safe and sanitary condition and that they are provided with the same level of services, including security and maintenance, as are applied to the other dwelling units in the development.

Violations of the regulatory agreement will be levied against the building owner for non-compliance including legal proceedings. It is the responsibility of the owner to adhere to all program requirements.

VI. PROCEDURE FOR OBTAINING A BUILDING PERMIT AND CERTIFICATE OF OCCUPANCY

In addition to the standard requirements of the Building and Safety Department, the following clearances must be obtained to ensure compliance with the Affordable Housing Program Ordinance:

Prior to the issuance of a building permit, the following clearances must be obtained:

- Housing Department pre-qualification of application for conformity to Options 1 or 2 of the Affordable Housing Incentives Program Ordinance. Applications must include location and floor plans of the restricted affordable units. (Applications may be obtained at the public counters of the Building and Safety and Planning Departments as well as at the Housing Department.)
- Planning Department approval of complete development plans, including landscaping and irrigation plans.
- Proof of recordation of Agreement Containing Covenants Affecting Real Property for the project satisfactory to Housing Department. This Agreement shall reflect the information provided in the Affordable Housing Incentives Program Application, including the Performance Standards.

Prior to the issuance of any Certificate of Occupancy, the following clearances must be obtained:

- Final clearance from the Housing Department that all conditions of Agreement Containing Covenants Affecting Real Property have been met.
- Planning Department clearance for payment of deferred fees.

Addresses:

Building & Safety Department
201 N. Figueroa Street, 4th Fl.
Los Angeles, CA 90012
Telephone (213) 888 LA-4-BUILD

Los Angeles Housing Dept. t
111 N. Hope Street
Los Angeles, CA 90012
Telephone (800) 994-4444

City Planning Department
201 N. Figueroa Street, 3rd Floor
Los Angeles, CA 90012
Telephone (213) 977-6083

Telephone (213) 977-6020

BY-RIGHT* APPLICATION PROCESS FOR DENSITY BONUS PROJECTS

*Projects applying for a maximum of 25% density bonus. Projects applying for greater density bonus shall file a Conditional Use permit application. Applicants may obtain an Instructions for Filing a Conditional Use Permit application form at the Planning Counter RM-460-S.

I. PROJECTS CONTAINING AFFORDABLE UNITS EXCLUSIVELY: II. PROJECTS CONTAINING A MIX OF MARKET RATE AND AFFORDABLE UNITS

A. APPLICANT MUST COMPLETE AN APPLICATION AT THE BUILDING & SAFETY COUNTER

Building & Safety staff will verify compliance with all applicable zoning regulations including uses, yards, density, height, parking, etc.

B. PROJECTS USING PARKING REDUCTION INCENTIVE BASED ON PROXIMITY TO TRANSIT

Applicant has to submit a site plan drawn to scale, showing the proximity of the development site to the transit route or transit station to the satisfaction of Building & Safety staff who will verify if project qualifies using MTA's selected bus lines list, transit system map, or any other document deemed applicable.

C. APPLICANT NEEDS TO OBTAIN CLEARANCE FROM LOS ANGELES HOUSING DEPARTMENT FOR:

1. Qualifying restricted units
2. Obtaining proof of recordation of Agreement Containing Covenants Affecting Real Property for issuance of building permit.

A. APPLICANT MUST COMPLETE AN APPLICATION AT THE BUILDING & SAFETY COUNTER

Building & Safety staff will verify compliance with all applicable zoning regulations including uses, yards, density, height, parking, etc.

B. PROJECTS USING PARKING REDUCTION INCENTIVE BASED ON PROXIMITY TO TRANSIT

Applicant has to submit a site plan drawn to scale, showing the proximity of the development site to the transit route or transit station to the satisfaction of Building & Safety staff or City Planning Counter staff who will verify if project qualifies using MTA's selected bus lines list, transit system map, or any other document deemed applicable.

C. APPLICANT NEEDS TO OBTAIN CLEARANCE FROM LOS ANGELES HOUSING DEPARTMENT FOR:

1. Qualifying restricted units
2. Obtaining proof of recordation of Agreement Containing Covenants Affecting Real Property for issuance of building permit.

D. PRIOR TO FINAL PLAN CHECK, APPLICANT HAS TO OBTAIN CLEARANCE FROM PLANNING DEPARTMENT TO VERIFY THAT PERFORMANCE STANDARDS ARE SATISFIED:

Applicant shall submit final set of floor plans to Plan Approval Unit staff who will evaluate the project for compliance with development standards spelled out in the Guidelines especially design and allocation of amenities.

MTA LINES OPERATING ON A FREQUENCY OF 15 MINUTES OR BETTER

Line No.	Line Name	Frequency	
		Peaks	Midday
1	Hollywood BI-Fairfax Av	7	10
2	Sunset BI-Beverly Dr	5	12
3	Sunset BI-Beverly Dr Branch of Line 2	5	10
4	Santa Monica BI	7	9
10	Melrose Av-Virgil Av-Temple St	14	24
11	Melrose-Vermont-Temple Branch of 10	14	24
14	Beverly BI-West Adams BI	8	12
16	West Third St	3	10
18	West Sixth St-Whittier BI	4	10
20	Wilshire BI-Santa Monica	12	27
21	Wilshire BI-UCLA Branch of Line 20	12	27
22	Wilshire BI-Century City-Brentwood Br of Line 20	12	27
26	Seventh St-Virgil Av-Franklin Av	8	24
27	W. Olympic BI-Burton Way Br. of Line 28	12	24
28	W. Olympic BI	12	24
30	W. Pico BI-E. First St-Floral Dr	5	10
31	W. Pico BI-E. First St Branch of Line 30	4	8
33	Venice BI	8	10
37	W. Adams BI-Branch of Line 14	7	12
38	W. Jefferson BI-City Terrace	12	20
40	Hawthorne-Downtown Los Angeles	6	10
42	LA-Westchester-LAX-Branch of Line 40	6	10
45	Broadway-Mercury Av	6	10
46	Broadway-Griffin Av-Branch of Line 45	6	10
48	Maple Av-S. Main St-Branch of Line 10	9	24
51	San Pedro St-Avalon BI-Branch of Line 51	4	12
53	Central Av	8	15
55	LA-Compton Av-Imperial Sta.	4	16
60	Long Beach BI-Santa Fe Av	3	8
65	Washington BI-Indiana St-Gage Av	15	45
66	East Olympic BI-West 8th St	3	10
67	East Olympic BI-Branch of Line 66	3	0
68	West Washington BI-Chavez Av	9	12
70	LA-El Monte via Garvey Av	8	14
71	City Terrace-Sybil Brand-Branch of Line 38	15	21
76	LA-El Monte via Valley BI	12	15
78	LA-Alhambra-South Arcadia	14	34
79	LA-Arcadia-Branch of Line 78	14	34
81	Figueroa St	7	15
83	Pasadena Av-York BI-Branch of Line 28	8	15
84	Cypress Av-Eagle Rock BI-Branch of Line 28	15	32
85	Verdugo Rd-Glendale Col-Branch of Line 28	15	32
92	LA-Glendale-Burbank-San Fernando via Glendale BI	11	20
93	LA-Glendale-Burbank-San Fernando via Allesandro-Branch of Line 92	11	20
94	Los Angeles-San Fernando	8	17
96	LA-Riverside Dr	15	30

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Line No.	Line Name	Frequency	
		Peaks	Midday
105	Vernon Av-La Cienega Bl	9	15
108	Slauson Av	10	20
110	Gage Av-Centinel Av-Fox Hills Mall	12	30
111	LAX-Florence Av-Leffingwell Rd	10	15
112	Florence Av-Otis St-Branch of Line 111	10	15
115	Manchester Av-Firestone Bl	7	15
117	Century Bl	15	20
120	Imperial Hwy	12	20
121	Imperial Hwy	12	20
125	Rosecrans Av	15	30
152	Fallbrook Av-Roscoe Bl-Vineland Av-Burbank	12	30
161	Westlake-Canoga Park	15	60
163	Sherman Wy-Hollywood	15	20
164	Victory Bl-Branch of Line 165	15	30
165	Vanowen St	15	30
175	Fountain Av-Talmadge St-Hyperion Av	15	60
180	Hollywood-Glendale-Pasadena via N. Lake	8	12
181	Hollywood-Glendale-Pasadena-PCC	8	12
200	Alvarado St-Echo Park Av	9	10
204	Vermont Av	4	5
206	Normandie Av	10	17
207	Western Av	5	17
210	Vine St-Crenshaw Bl	10	16
212	La Brea Av	8	20
217	Fairfax Av-Hollywood-Branch of Line 1	7	10
230	Laurel Canyon Bl	15	30
232	Long Beach-LAX	12	30
233	Van Nuys Bl-Branch of Line 561	10	12
234	Sepulveda Bl-Brand Bl-Sayre St	15	20
243	Desota Av-Ventura Bl-Winnetka Av	15	50
251	Soto St-Daly St-Seville Av-103rd Station	12	24
252	Soto St-California Av-Huntington Dr-Branch of Line 251	12	24
260	Artesia Sta-Pasadena-Altadena via Atlantic Bl	10	20
304	Santa Monica Bl Limited-Branch of Line 4	4	7
320	Wilshire Bl Limited-Branch of Line 20	5	9
322	Wilshire Bl-Century City-Brentwood Limited Br of Line 20	15	43
328	W. Olympic Bl Limited-Branch of Line 28	8	0
333	Venice Bl Limited-Branch of Line 33	9	0
345	Broadway Limited-Branch of Line 45	8	12
354	Vermont Av Limited-Branch of Line 204	7	15
357	Western Av Limited-Branch of Line 207	10	0
378	LA-Alhambra-So Arcadia Ltd-Branch of Line 78	13	0
379	LA-Arcadia Limited-Branch of Line 79	13	0
401	LA-Pasadena-No. Allen Express	12	30
402	LA-Pasadena Park-n-Ride-Branch of Line 401	15	0
420	LA-Van Nuys-Panorama City Express	6	10

MTA LINES OPERATING ON A FREQUENCY OF 15 MINUTES OR BETTER

Line No.	Line Name	Frequency	
		Peaks	Midday
424	LA-Ventura BI Express	9	10
425	LA-Ventura BI Exp. Limited-Branch of Line 424	6	0
426	San Fernando Valley-Wilshire Express	15	0
434	LA-Santa Monica-Malibu Express	10	30
442	LA-Hawthorne Exp.-Branch of Line 40	14	0
470	LA-Whittier-La Habra-Brea Mall Express	12	30
471	LA-Whittier-Puente Hills Mall Exp-Branch of Line 470	12	30
483	LA-Altadena via Fair Oaks Express	11	20
484	LA-El Monte-La Puente-Pomona Express	12	30
485	LA-Altadena via Lake Ave Exp-Branch of Line 483	11	20
487	LA-San Gabriel-Sierra Madre Express	8	20
489	LA-Hastings Ranch Express	8	0
490	LA-El Monte-Covina-Brea Express	15	30
497	LA-Pomona Park-n-Ride Express	9	0
522	LACC-Ventura BI-Reseda BI	12	20
561	Green Line-LAX-Van Nuys BI Ltd. Exp.	15	30
620	Boyle Heights Shuttle	0	12
801	Metro Blue Line	6	12
802	Metro Red Line	5	8
803	Metro Green Line	7	12

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