

Communication from Public

Name: Barrie Levy

Date Submitted: 09/30/2025 01:16 PM

Council File No: 15-1138-S42

Comments for Public Posting: Dear Chair and Members of the Housing and Homelessness Committee, Item 6 on your October 1st agenda is Councilmember Traci Park's latest attempt to block the Venice Dell project by pretending that she supports an "alternative" site. The motion frames Lot 701 as a substitute for Lot 731, but Venice Dell is already fully approved, funded, and on track to deliver 120 affordable homes. Before any discussion of alternative sites, the City must make clear that it stands behind Venice Dell and must not allow maneuvers designed to derail it. The City Council has approved Venice Dell on Lot 731 multiple times. The project has secured nearly \$45 million in County and State funding in the past two months, is under contract with developers, and includes a Project Labor Agreement to create hundreds of good jobs. The community desperately needs these homes, and delaying or undoing them would come at enormous cost. The Board of Transportation Commissioners does not have authority to overturn past Council votes. Breaching the City's agreements would waste millions in general funds, worsen the budget crisis, and expose the City to ongoing lawsuits. Undoing approvals for Venice Dell would also violate fair housing laws and the Housing Accountability Act. If the City wishes to explore Lot 701 for additional affordable housing and transit amenities, that should be welcomed, but only as more housing, not as a red herring to supplant Venice Dell. I urge this committee to ensure that any report back makes clear: -Venice Dell on Lot 731 remains fully approved and funded. -The City is legally and financially obligated to move forward. -Lot 701 can only be explored as additional housing, not a substitute. Los Angeles is in a dire budget and housing crisis. We cannot afford to change course on Venice Dell, which is ready to break ground, while families across the city wait for affordable homes. Thank you, Barrie Levy
Resident of CD 11 (Mar Vista)

Communication from Public

Name:

Date Submitted: 09/30/2025 02:32 PM

Council File No: 15-1138-S42

Comments for Public Posting: Hello, I wish to submit the following documents regarding the Venice Dell Community development on Lot 731 (1 of 5): * DDA Breach of Contract Complaint against the City of Los Angeles

1 **VENABLE LLP**
2 DANIEL S. SILVERMAN (SBN 137864)
3 dssilverman@venable.com
4 BELINDA M. VEGA (SBN 208236)
5 bmvega@venable.com
6 JORDAN E. FERGUSON (SBN 299981)
7 jferguson@venable.com
8 SARAH M. HOFFMAN (SBN 308568)
9 smhoffman@venable.com
10 MATTHEW L. RABER (SBN 360339)
11 mlraber@venable.com
12 2049 Century Park East, Suite 2300
13 Los Angeles, CA 90067
14 Telephone: 310.229.9900
15 Facsimile: 310.229.9901

16 *Attorney for Plaintiffs*
17 *Venice Community Housing Corporation,*
18 *Hollywood Community Housing Corporation,*
19 *and Venice Dell, L.P.*

20 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
21 **FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

22 VENICE COMMUNITY HOUSING
23 CORPORATION, a non-profit organization;
24 HOLLYWOOD COMMUNITY HOUSING
25 CORPORATION, a non-profit organization;
26 and VENICE DELL, L.P., a California limited
27 partnership,

28 Plaintiffs,

v.

CITY OF LOS ANGELES, LOS ANGELES
HOUSING DEPARTMENT, and DOES 1
through 100, inclusive,

Defendants.

Case No.

COMPLAINT FOR
(1) BREACH OF CONTRACT;
(2) BREACH OF IMPLIED COVENANT
OF GOOD FAITH AND FAIR DEALING;
AND
(3) SPECIFIC PERFORMANCE

DEMAND FOR JURY TRIAL

1 Plaintiffs Venice Community Housing Corporation, Hollywood Community Housing
2 Corporation, and Venice Dell, L.P (collectively, “Plaintiffs”), by and through their attorneys at
3 Venable LLP, hereby complain and allege against Defendants City of Los Angeles and the Los
4 Angeles Housing Department (collectively, “Defendants” or “City”) and Does 1 through 100,
5 and each of them, as follows:

6 **NATURE OF THE CASE**

7 1. Los Angeles has a severe shortage of affordable housing, particularly in high cost-
8 of-living areas such as Venice. Plaintiffs seek to turn an underutilized, City-owned parking lot in
9 Venice into a 100% affordable housing development at 200 North Venice Boulevard, Venice
10 (“Venice Dell” or “Project”). The City has earmarked this parking lot for affordable housing
11 since at least 2016.

12 2. The City Council unanimously approved the Project in 2021 and, in 2022, entered
13 into a Disposition and Development Agreement (“DDA” or “Agreement”) with Plaintiffs
14 governing the Project’s construction and eventual occupancy. Under the DDA, the City agreed to
15 promptly issue the approvals required for “the redevelopment of the site to occur.” DDA,
16 attached hereto as **Exhibit A**, at §§ 11.1; 11.7.

17 3. Beginning in 2016, when the Plaintiffs were selected by the City Council through
18 a competitive process to fulfill a goal of the City to develop affordable housing on City-owned
19 land, Plaintiffs expended significant resources to advance the Project over the course of nine
20 years. The Plaintiffs are reputable nonprofit affordable housing developers, each having 35+
21 years of experience, and have been working in earnest to advance the Project since entering into
22 an Exclusive Negotiating Agreement with the City on January 12, 2017.

23 4. The design of the Project is complex. The Project site straddles the northernmost
24 segment of the Venice Grand Canal and the design was refined extensively based upon input
25 received through over 100 community meetings, input from the City’s Planning Department and
26 input from California Coastal Commission staff. The entitlements were also extremely complex
27 and ultimately received unanimous approval from the Planning Commission and the City
28 Council. Importantly, the Project also received unanimous support from the California Coastal

1 Commission at the hearing on December 11, 2024.

2 5. Simultaneous to the progress on design and entitlements, the Plaintiffs were Real
3 Parties in Interest in five lawsuits filed by Project opponents, and it took time and resources for
4 each case to either be dismissed or defeated. The time is now for the Project to move
5 expeditiously towards construction.

6 6. Although the City approved the DDA in 2022, it subsequently defaulted on its
7 contractual obligations, including by delaying and obstructing the required approvals and actions
8 for Venice Dell to proceed, and by failing to act in good faith to perform its contractual
9 obligations. Since early 2023, City Attorney Hydee Feldstein Soto and Councilmember Traci
10 Park have been actively working to thwart the will of the City Council and prevent the Project
11 from being built, and the City has unreasonably withheld and delayed approvals for the Project.

12 7. Accordingly, the City breached the express terms of the DDA, as well as the
13 implied covenant of good faith and fair dealing, by willfully obstructing and failing to perform
14 its obligations under the DDA. Plaintiffs therefore seek (1) monetary damages to compensate for
15 losses caused by the breach of contract; and (2) specific performance to enforce the DDA and
16 move forward with the Project that will provide affordable housing to hundreds of low-income
17 and unhoused Californians.

18 **PARTIES**

19 8. Plaintiff Venice Community Housing Corporation (“VCH”) is a 501(c)(3) non-
20 profit entity that provides affordable housing and supportive services to low-income families and
21 individuals in response to high rates of homelessness. VCH works to challenge root causes of
22 homelessness and housing injustices by investing in permanent affordable housing projects and
23 other supportive services solutions.

24 9. Plaintiff Hollywood Community Housing Corporation (“HCH”) is a 501(c)(3)
25 non-profit entity that develops affordable housing for low-income families, homeless individuals
26 and households, and individuals with special needs. Since its inception in 1989, HCH has
27 developed 34 affordable housing properties that contain 1,399 affordable housing units. HCH
28 has decades of experience developing affordable rental housing and providing on-site support

1 services for low-income and special needs households.

2 10. Plaintiff Venice Dell, L.P. is a limited partnership incorporated under the laws of
3 the State of California. Venice Dell, L.P. is the Project's ownership entity formed by VCH and
4 HCH.

5 11. Defendant City of Los Angeles is a charter city and municipal corporation
6 organized under the laws of the State of California. The City is a legal entity with the capacity to
7 sue and be sued.

8 12. Defendant Los Angeles Housing Department ("LAHD") is the department of the
9 City government responsible for the production, preservation, and protection of affordable
10 housing in the City of Los Angeles.

11 13. Plaintiffs are unaware of the true names and capacities of Defendants Does 1
12 through 100, inclusive, and they are therefore sued by such fictitious names pursuant to Code of
13 Civil Procedure section 474. Plaintiffs allege on information and belief that each such
14 fictitiously named Defendant is responsible or liable in some manner for the events and
15 happenings referred to herein, and Plaintiffs will seek leave to amend this Complaint to allege
16 their true names and capacities after the same have been ascertained.

17 **JURISDICTION AND VENUE**

18 14. This Court has jurisdiction to hear the subject matter of this complaint pursuant to
19 Cal. Const. art. VI, § 10. This Court also has jurisdiction over each Defendant because the acts
20 and omissions alleged herein occurred in California.

21 15. Venue is proper in this Court pursuant to Code of Civil Procedure section 394
22 because all the violations of law alleged herein occurred and are occurring in Los Angeles
23 County.

24 **FACTUAL BACKGROUND**

25 **A. The City earmarks Lot 731 for the Venice Dell project**

26 16. In 2016, the City adopted a Comprehensive Homeless Strategy in response to a
27 multi-decade affordability and homelessness crisis, with the goal of dramatically expanding the
28 supply of affordable housing. As part of this strategy, the City Administrative Officer reviewed

1 City-owned properties to identify underutilized sites that could be used for affordable and
2 supportive housing developments.¹

3 17. The City identified an underutilized parking lot located at 200 North Venice
4 Boulevard, Venice, known as Lot 731 (“Lot 731”), as a suitable site for affordable housing.

5 18. On July 25, 2016, the City issued a Request for Qualifications and Proposals to
6 develop an affordable housing project on Lot 731, along with replacement parking.

7 19. Plaintiffs submitted a proposal to build a 104,140 sq. ft., mixed-use, 100%
8 affordable housing development consisting of 140 units, including 68 permanent supportive
9 housing units, 34 low-income units, 34 live-work units, 4 manager units, supportive services, and
10 commercial space. The Project would also provide 196 public parking spaces in an on-site
11 garage to replace the existing at-grade parking spaces. Additionally, the Project would provide
12 supportive social services for its tenants, including on-site therapeutic and community support
13 groups, as well as assistance with employment, educational, and mental health services.

14 20. In December 2016, the City Council unanimously voted to enter into an exclusive
15 negotiating agreement with Plaintiffs, who in reliance on that agreement expended substantial
16 resources to create a full development plan for the Project on Lot 731.

17 21. Between 2017 and 2022, the Project was considered at 18 public meetings,
18 including two City Planning Commission meetings and five meetings before the full City
19 Council. At each of these meetings, members of the public were heard as to their concerns with
20 the Project and people spoke out both in favor of and against the Project. Throughout this time
21 period, Plaintiffs worked with the City to obtain the land use and other entitlement approvals
22 required for the Project.

23 22. On December 1, 2021, the Los Angeles City Council unanimously approved the
24 entitlements for the Project. This action included approval of a Coastal Development Permit

25 ¹ In this context, “affordable” housing refers to housing for which the rent does not exceed a
26 certain percentage of the Area Median Income. *See* DDA, § 1; Cal. Health & Saf. Code,
27 § 50053(b). “Supportive housing” means housing “that is linked to onsite or offsite services that
28 assist the supportive housing resident in retaining the housing, improving his or her health status,
and maximizing his or her ability to live and, when possible, work in the community.” Cal.
Health & Saf. Code, § 50675.14(b)(2).

1 (“CDP”), a site plan review, vesting a tentative tract map, a zone change and height district
2 change, Mello Act compliance, project permit compliance, a special plan amendment, and a
3 finding that the Project was exempt from the California Environmental Quality Act (“CEQA”).

4 23. In April 2022, LAHD recommended that the City Council enter into a DDA with
5 Plaintiffs. Due to a technical issue, the entitlements approved in December 2021 were reheard
6 and reapproved in June 2022. By this time, the Project had been vetted by various departments
7 within the City and approved at nearly two dozen public hearings by elected officials.

8 **B. The City enters into a Disposition and Development Agreement with Plaintiffs**

9 24. On June 1, 2022, Plaintiffs and the City executed a term sheet setting out the
10 “Key Terms and Conditions” of the DDA they intended to enter into for the purpose of
11 advancing the Project.

12 25. On June 30, 2022, the City entered into a DDA with Venice Dell, L.P., the
13 Project’s ownership entity formed by VCH and HCH, for the purpose of building the Project.²

14 26. The DDA is a binding contract that outlines the development of the Project site,
15 that a ground lease for the construction and management of the Project will be executed, and
16 requires that Plaintiffs and the City enter into a public parking agreement at a future time.

17 27. The DDA sets out the parties’ agreement for the construction of Venice Dell. In
18 executing the DDA, the City agreed that it “intend[ed] by this Agreement to cause the
19 redevelopment of the site to occur and to preserve and improve the community’s supply of
20 affordable housing for Moderate, Low, and Very Low-Income households.” DDA, § 1.1(g) at 3.

21 28. The City and Plaintiffs agreed that the “disposition, development, financing and
22 use of the Site” and “conveyance of a leasehold interest in the Site to the Developer for the
23 development of the Site” are “in the vital and best interests of the City of Los Angeles and the
24 health, safety, morals, and welfare of its residents, and in accord with the public purposes and
25 provisions of applicable federal, state, and local laws and requirements.” DDA, § 1.1(a), (f) at 1.

26 29. The City also agreed that it would “obtain valuable benefits from this Agreement”

27 ² While the DDA is entitled “Development and Disposition Agreement,” it is not a statutory
28 development agreement under California’s Development Agreement Act. (Gov. Code § 65864 *et*
seq.)

1 and that “in entering into this Agreement, each Party is relying on the performance of the other
2 Party.” DDA, § 1.1(h) at 3.

3 30. The DDA’s operative provisions require the City to work expeditiously to issue
4 the approvals required for the Project. Specifically, the DDA states that “approvals required of
5 the City . . . shall not be unreasonably withheld, delayed, or conditioned.” DDA, § 11.7(a) at 80.
6 The City further authorized “LAHD’s General Manager to deliver such approvals or consents as
7 are required by the Agreement” without “further authorization required from the City Council
8 and Mayor.” DDA, § 11.7(b) at 80.

9 31. The parties agreed that “[t]ime is of the essence with respect to the performance
10 of each of the covenants and agreements contained in this Agreement.” DDA, § 11.10 at 82.

11 32. Finally, the DDA explains that failure or delay to perform or comply with any
12 term of the DDA constitutes default, and the defaulting party “must commence to cure, correct or
13 remedy such failure or delay and shall complete such cure, correction or remedy with reasonable
14 diligence.” DDA, § 10.1(a) at 72.

15 33. On July 11, 2024, the City and Plaintiffs agreed to amend Exhibit C (the Schedule
16 of Performance) and Exhibit E (Project Budget), in accordance with the terms of the DDA, in
17 order to reflect mutually agreed revisions to the Project’s schedule and budget. On September 25,
18 2024, the City and Plaintiffs executed a Side Letter Agreement reflecting these amendments, in
19 accordance with the DDA.

20 **C. The City repeatedly defaults on its obligations under the DDA**

21 34. After executing the DDA in June 2022, the City initially worked with Plaintiffs to
22 move the Project forward. Plaintiffs have continued to diligently pursue the requisite approvals
23 and have met all of their obligations under the DDA.

24 35. In the meantime, the DDA and the City’s approvals of Project entitlements were
25 challenged by various so-called Not In My Backyard (“NIMBY”) groups, which opposed the
26 development of affordable housing. The DDA and City’s approvals of Project entitlements
27 were ultimately upheld in litigation.³

28 _____
³ *Venice Vision v. City of Los Angeles*, LASC Case No. 21STCP02522; *Coalition for Safe*

1 36. However, a dramatic shift in the City’s conduct occurred immediately following
2 the election of Hydee Feldstein Soto as City Attorney, and Traci Park as the District 11
3 Councilmember representing Venice. Councilmember Park’s opposition to the Project was a
4 central pillar of her election campaign. At a candidate forum in April 2022, Park made no secret
5 of her intent to block the Project: “I will squash this on day one . . . it’s a waste of money, it’s
6 wrong for the community, it’s a no go, it’s done.”⁴ She also submitted an opposition letter to the
7 City Council, claiming that the Project would “forever change the character of the historic
8 Venice Canal Community.” (Council File No. 22-0496, May 25, 2022.)

9 37. Similarly, Los Angeles City Attorney Hydee Feldstein Soto was an outspoken
10 opponent of the Project while she was a candidate. On May 25, 2022, she submitted a public
11 comment to the City Council’s Homelessness and Poverty Committee, arguing that the Project
12 should not be approved because Councilmember Mike Bonin, who supported the Project, was
13 “on his way out the door.” (Council File No. 22-0496, May 25, 2022.)

14 38. Since taking office, Councilmember Park and the City Attorney have pursued a
15 number of strategies to thwart and obstruct the Project, in violation of the City’s contractual
16 obligations under the DDA. In early 2023, shortly after Councilmember Park and the City
17 Attorney took office, the City began intentionally obstructing and delaying Project approvals in
18 violation of the DDA. In March 2023, most City staff stopped responding to Plaintiffs’ emails.

19 39. In April 2023, City staff advised Plaintiffs that they had been instructed to cease
20 communications with them regarding the Project. When pressed to explain why communication
21 had ceased, City staff referred Plaintiffs to Chief Assistant City Attorney John Heath, who,
22 despite repeated requests, did not authorize a resumption of work pursuant to the terms of the
23 DDA. This too was an unreasonable delay of the City’s approvals.

24 *Coastal Development et al. v. City of Los Angeles et al.*, LASC Case Nos. 22STCV00162,
25 22STCV03626; *Coalition for Safe Coastal Development v. City of Los Angeles et al.*, LASC
26 Case No. 22STCP03359; *Coalition for Safe Coastal Development v. City of Los Angeles*, LASC
Case No. 22STCP03125.

27 ⁴ Rosin, Changing the Conversation on the Venice Median with the CD11 Candidates, Westside
28 Current (May 15, 2022), available at https://www.westsidecurrent.com/opinion/changing-the-conversation-on-the-venicemedian-with-the-cd11-candidates/article_88eae04-d4bd-11ec-9034-87451743471d.html.

1 40. The City’s pattern of obstructive conduct continues to this day and is most starkly
2 evidenced by an unlawful vote by the Los Angeles Board of Transportation Commissioners
3 (“Board”) that purported to deny the Project, and by the City’s attempts to interfere with the
4 Coastal Commission’s independent approval of the Project.

5 41. Each act of delay is, independently, a violation of Section 11.7(a) of the DDA’s
6 requirement that the City’s approvals “shall not be unreasonably withheld, delayed, or
7 conditioned.” DDA, § 11.7(a) at 80. Collectively, the City’s actions display a bad faith pattern
8 and practice of intentionally obstructing the Project by specifically withholding, delaying, and
9 conditioning necessary approvals at every opportunity.

10 **D. Ultra vires “denial” by the Board**

11 42. On December 5, 2024, the Board noticed a special meeting (the “Special
12 Meeting”) for December 10, 2024 to consider “The Proposed Redevelopment of Municipal
13 Parking Lot No. 731 in Venice for Affordable Housing.”

14 43. The Board deliberately scheduled this Special Meeting *one day* before the Coastal
15 Commission was scheduled to consider the Project, despite the fact that the Board had a regular
16 meeting scheduled just two days later, on December 12, 2024.

17 44. At this Special Meeting, the Los Angeles Department of Transportation
18 (“LADOT”) sent the Board a report recommending that the Board: (i) not authorize the use of
19 Lot No. 731 for the Project; and (ii) recommend that the Los Angeles Housing Department
20 (“LAHD”) determine the feasibility of relocating the Project to a different lot. These
21 recommendations expressly contradict prior Project approvals from City Council, dating back to
22 the site’s selection by the City as a feasible location for affordable housing in 2016.
23 Furthermore, these recommendations contradict years of work accomplished through regular
24 meetings dating back to before the pandemic with management-level employees of LADOT. As
25 recently as the fall of 2024, a LADOT manager was engaging with the Plaintiffs on a regular
26 basis to advance the Project. Indeed, this LADOT report was the first public, official action by
27 the City against the Project, after nearly two years of obstructionist actions behind the scenes, as
28 described in more detail in paragraphs 60 through 65.

1 45. Moreover, the Board did not have authority to act in this manner. The Board’s
2 authority, as provided by Section 22.484.(g)(2)(A)(7) of the Los Angeles Administrative Code
3 (“LAAC”), is limited to “coordinating, directing, and managing all matters respecting the
4 acquisition, and thereafter management, of all public off-street parking places by the City except
5 for those parking facilities which are under jurisdiction or control of departments controlling
6 their own funds,” among other traffic and parking-related duties. LAAC § 22.484.(g)(2)(A)(7).

7 46. Indeed, the Los Angeles Superior Court has already ruled that the Board’s role is
8 primarily advisory and pertains to the management, not the transfer, of City property interests,
9 and that Board approval was therefore not required for the transfer of Lot 731.⁵ The City Council
10 is ultimately the key decision-maker in relation to the transfer of real property interests in City
11 parking lots, not the Board. The City Council made its decision regarding the Project on multiple
12 occasions, all of which predate the Board’s unlawful hearing, and during all of which the full
13 City Council voted to approve the Project.

14 47. No aspect of the Project was before the Board for consideration when the Special
15 Meeting was scheduled. This was an ultra vires, *sua sponte* action intended to undermine the
16 existing Project approvals, aided and abetted by the City Attorney.

17 48. On December 3 and 9, 2024, Plaintiffs’ counsel wrote to the Board to clarify the
18 Board’s limited authority related to this Project and express concern over the Special Meeting,
19 given that no Project component was before the Board under any normal City process. In these
20 letters, Plaintiffs insisted that the Board take no action to delay the Project at the Special
21 Meeting.

22 49. In spite of these warnings, the Board considered issues well outside the scope of
23 its authority at the Special Meeting, such as the Project’s potential impacts on affordable housing
24 and public access. The Board is not charged with protecting—or even analyzing—public access,
25 nor is it charged with regulating affordable housing. Further, the Board has no special expertise
26 on any of these issues and is in no way qualified to make determinations as to the impacts of

27 _____
28 ⁵ Notice of Entry of Judgment, *Coalition for Safe Coastal Development, et al v. City of Los Angeles, et al.*, Case No. 22STCP03359 (July 11, 2024).

1 affordable housing projects. Despite City Council’s repeated approvals of the Project in the past,
2 the Board questioned Lot 731’s suitability for the Project and suggested the Project be relocated
3 to an alternative parking lot several blocks away, which is simply a red herring given that the
4 alternative site could not support the Project as designed given the lot’s unusual configuration.
5 Such a move would also require Plaintiffs to re-start the City’s entitlement process from step one
6 – a process that already took Petitioners eight years – and it would leave the Plaintiffs vulnerable
7 to delays from new lawsuits.

8 50. The Board ultimately voted to adopt LADOT’s recommendations to “deny” the
9 Project, in a transparent and unlawful attempt to undo the valid City Council approvals and
10 entitlements that had already been issued for the Project. Even if the vote were legally taken, this
11 Board action constituted unreasonable withholding of a project approval. Once again, this alone
12 constituted a violation of Section 11.7(a) of the DDA.

13 **E. The City urges the Coastal Commission to disapprove the Project**

14 51. Because Lot 731 is located within the Coastal Zone, the Project also was required
15 to obtain a Coastal Development Permit (CDP) from the Coastal Commission, and the City’s
16 approval of the Land Use Plan (LUP) amendment for the Project was required to be certified by
17 the Coastal Commission.

18 52. Rather than defending its CDP approval and LUP amendment, or otherwise
19 moving the Project forward at the Coastal Commission, the City seized on the Coastal
20 Commission process as an opportunity to kill the Project. Since August 2023, the City has
21 consistently delayed answering—or outright failed to answer—questions posed by Coastal
22 Commission staff. For example, the City never responded to the Coastal Commission’s Notice
23 of Incomplete Application, dated September 11, 2023.

24 53. Egregiously, in a November 26, 2024 letter from City Attorney Feldstein Soto to
25 the Coastal Commissioners, the City recommended that the Commission “defer its decision” or
26 simply “deny the Application at this time.” This letter was a public and blatant attempt by the
27 City to interfere with and undermine approval of the Project, in violation of the City’s
28 contractual obligations.

1 54. Additionally, at the Coastal Commission’s December 11, 2024, hearing,
2 representatives from the City’s Planning Department did not speak to the Commission in support
3 of the City Council’s decision to approve the Project and its LUP amendment, as is the normal
4 process, because the City Attorney’s office instructed LAHD and the Planning Department not to
5 attend the hearing. Instead, Chief Assistant City Attorney John Heath participated and asserted
6 that, due to the BOTC’s vote the day before, the Project was dead and there was nothing for the
7 Commission to consider. This conduct illustrates that the Board’s hasty, ultra vires vote to
8 decline the use of Lot 731 for affordable housing was a transparent pretext to oppose the Project
9 before the Coastal Commission. Chief Assistant City Attorney Heath’s participation in the
10 hearing alone constitutes the City placing an unreasonable condition on a required approval in
11 violation of Section 11.7(a) of the DDA. The public comments also amounted to an open attempt
12 by the City to unreasonably delay the Project.

13 55. Despite the City’s improper conduct, the Coastal Commission unanimously
14 approved the Project, with minor modifications, at a December 11, 2024, hearing.

15 56. The Coastal Commission determined that the Project promotes public access by
16 providing housing opportunities and increasing available parking. As amended through the
17 Coastal Commission’s approval at this meeting, the Project will include 120 affordable
18 residential units that will be occupied by 68 households who previously experienced
19 homelessness, 49 low-income households, and 3 onsite resident managers.

20 57. In January 2025, Coastal Commission staff notified the City that the City had six
21 months from the date of the Coastal Commission hearing on December 11, 2024, to adopt their
22 suggested modifications.

23 58. The City took no steps to adopt the modifications or request an extension of time,
24 despite multiple requests to the Planning Department that the matter be put on the agenda before
25 the Los Angeles City Council.

26 59. On June 11, 2025, the Coastal Commission granted a 12-month extension of time
27 to the City, at the Plaintiffs’ request. Plaintiffs made this request because the City was not
28 adhering to its obligations to advance the Project.

1 **F. The City continues to violate the DDA**

2 60. In addition to the above violations, the City has unreasonably delayed and
3 obstructed other approvals required under the DDA.

4 61. First, the City has refused to process an Ellis Act application to relocate the four
5 existing households in a multifamily building owned by the City and located on the Project site
6 and to remove the units from the rental market in order to build Venice Dell. Removal of the
7 City-owned building, which is in substandard condition, has always been included in the Project
8 concept. Plaintiffs first completed this application on the City’s behalf, at the request of LAHD
9 staff, and submitted the application to the City in January 2023 for their filing Plaintiffs have
10 fulfilled all of their commitments to prepare an up-to-date, accurate, and complete Ellis Act
11 Application on multiple occasions, as decided through the collaborative process in Project
12 meetings. But the City has not fulfilled their obligation to file or process this application.

13 62. Second, the City has twice stopped work on the contract for the Project’s public
14 parking structure. The first mandatory work stoppage was ordered by John Heath in April 2023,
15 and continued until August 2023. The second stoppage was after the BOTC hearing in December
16 2024, which stoppage continues to this day. Relatedly, the City refused to provide Plaintiffs with
17 an expected timeline for BOTC to take action on items related to the operational plans for the
18 public parking structure—items over which the BOTC actually does have authority—even
19 though Plaintiffs confirmed in writing that they are willing to provide any and all information
20 needed to support and expedite the BOTC process.

21 63. The City has refused to even engage with Plaintiffs on simple questions such as
22 who will operate the parking structure. On August 16, 2024, Plaintiffs requested that the City
23 confirm in writing that it would own and operate the public parking services for the Project, in
24 response to a request from Coastal Commission staff to confirm this fact. The City ignored the
25 request.

26 64. Third, the DDA contemplates that the parties will enter into a ground lease for the
27 Project site. Despite repeated requests from Plaintiffs, the City has not engaged with Plaintiffs
28 regarding drafting of the ground lease.

1 65. Finally, the City is undermining funding opportunities for the Project, including
2 funding that has already been earmarked for the Project. Specifically, the Project was admitted to
3 the City’s Affordable Housing Managed Pipeline (AHMP) in 2022 and received an award letter
4 for \$6.3 million in funding. Since late 2024, Plaintiffs repeatedly requested an extension of time
5 for the funding award, which was set to expire on January 31, 2025. Extensions such as these
6 are routinely granted by the City of Los Angeles, as housing development timelines are often
7 unpredictable.

8 66. During a meeting on January 23, 2025, LAHD Director Elizabeth Selby stated
9 that the extension of the \$6.3 million funding award for Venice Dell was in the LAHD
10 Transmittal that would ultimately go to City Council for approval. However, when the LAHD
11 Transmittal was finally made public, Venice Dell had been removed from the award letter. As a
12 result, Plaintiffs again requested an extension of the \$6.3 million funding award, but the City has
13 taken no steps to grant the extension.

14 67. In a similar vein, Plaintiffs have been working diligently with LAHD to prepare
15 and submit an Affordable Housing and Sustainable Communities (“AHSC”) funding application
16 to the State of California, at the request and encouragement of LAHD and Mayor’s office staff.
17 As part of that process, in April 2025, Plaintiffs reached out to Los Angeles City Council District
18 11 to discuss potential bicycle and traffic calming improvement ideas that would be included in
19 the funding application. On May 1, 2025, District 11 staff responded that the Project would not
20 be moving forward, and therefore that there was no reason to engage in further discussion
21 regarding the AHSC application.

22 68. Not only has the City transparently failed to issue the approvals required of it
23 under the DDA, it is actively undermining the Project’s existence. All votes by the City
24 Council—the legitimate governing body—have directed City staff to move forward with this
25 Project. But this directive is being ignored and subverted by the City’s unreasonable and ultra
26 vires conduct. This pattern of willful obstruction constitutes default under the DDA and violates
27 the City’s duty of good faith and fair dealing in the performance of its contractual obligations.
28

1 **G. The City purports to terminate the DDA**

2 69. On May 20, 2025, Plaintiffs notified the City in writing of its defaults under the
3 DDA, pursuant to section 10.1 of the DDA, and demanded that the City initiate corrective
4 actions without delay (Notice of Default). A true and correct copy of the Notice of Default is
5 attached hereto as **Exhibit B**.

6 70. On June 10, 2025, the City responded to the Notice of Default. Rather than
7 agreeing to remedy its defaults, the City denied any acts of default and baselessly and
8 disingenuously claimed that Plaintiffs had violated the DDA. Plaintiffs have not violated the
9 DDA. The “defaults” the City alleged, such as the BOTC’s purported denial of the Project, all
10 arose from the City’s own unlawful acts and violations of the DDA.

11 71. The City’s response also enclosed a “Notice of Default” that purported to
12 terminate the DDA. The City did not provide Plaintiffs with an opportunity to cure the alleged
13 defaults, as section 15 of the DDA requires.

14 72. The City had no legal or factual basis to terminate the DDA. Its purported
15 termination of the DDA, based on meritless and pretextual arguments, and failure to provide
16 Plaintiffs with an opportunity to cure, constitute further violations of the DDA.

17 73. The City’s purported termination was also procedurally defective, because it was
18 not approved by the City Council or Mayor. Under the DDA, neither the City Attorney nor any
19 other City employee or agency had authority to terminate the DDA absent such approval.

20 74. Plaintiffs replied to the City’s purported termination of the DDA, making it clear
21 they remained ready, willing, and able to fulfill their obligations under the DDA and build the
22 Project. The City’s response was to instruct Plaintiffs to not communicate directly with LAHD,
23 or any City agencies other than the City Attorney’s office.

24 **H. Plaintiffs have incurred significant monetary damages**

25 75. Since 2016, Plaintiffs have worked diligently and in good faith to advance the
26 Venice Dell project. They have expended substantial time and funds in reliance on the City’s
27 contractual undertakings to support and approve the Project. The City’s abrupt withdrawal of its
28 support for the Project has caused Plaintiffs irreparable harm, and significantly and negatively

1 impacted the lives of hundreds of low-income and unhoused individuals.

2 76. As a result of the City’s conduct in breach of the DDA, Plaintiffs have incurred
3 significant monetary damages, including actual costs, developer fees to be received for years of
4 working in good faith, and the opportunity cost of not pursuing other projects.

5 77. Monetary damages aside, there is a tangible human cost to the City’s default. The
6 Project will provide desperately needed affordable housing to hundreds of low-income and
7 unhoused Californians in a neighborhood that has priced out minority and low-income
8 communities. While the City insists on playing political games to obstruct the Project, hundreds
9 of unhoused people remain on the streets as a direct result of the City’s conduct. In executing the
10 DDA, the City recognized the Project is “in the vital and best interests of the City of Los Angeles
11 and the health, safety, morals, and welfare of its residents” and committed to issuing the required
12 Project approvals. By breaching the DDA, the City has turned its back on its most vulnerable
13 population.

14 **FIRST CAUSE OF ACTION**

15 **(Breach of Contract)**

16 78. Plaintiffs reallege and incorporate by reference each and every allegation in the
17 preceding paragraphs as though fully set forth herein.

18 79. The DDA is a valid and enforceable contract between the City and Plaintiffs.

19 80. Under the DDA, the City is contractually required to cause the redevelopment of
20 Lot 731 to occur, to issue all approvals required for the Project, and to not unreasonably
21 withhold, delay, or condition such approvals.

22 81. The City has breached and continues to breach the explicit terms of the DDA,
23 including via the BOTC’s unlawful vote that purported to deny the Project, its obstruction of the
24 Coastal Commission process, its pattern of delay and nonresponsiveness in relation to other
25 approvals required for the Project, and its purported termination of the DDA.

26 82. In committing the acts alleged herein, the City intentionally breached—and
27 continues to breach—the DDA.
28

1 92. Specific performance is a remedy that is expressly available under section 10.7 of
2 the DDA.

3 93. Plaintiffs have no adequate legal remedy, in that damages will be inadequate to
4 compensate Plaintiffs for the detriment suffered as a result of the City's violations of the DDA.
5 Plaintiffs therefore demand that the City be compelled to specifically perform its obligations
6 under the DDA.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiffs respectfully request that this Court enter judgment against
9 Defendants and grant:

- 10 A. Entry of judgment for Plaintiffs and against Defendants on all counts of the
11 Complaint;
- 12 B. For actual, compensatory, and consequential damages according to proof;
- 13 C. For specific performance;
- 14 D. For prejudgment and post-judgment interest according to proof;
- 15 E. For attorneys' fees, costs, and other expenses according to proof, pursuant to Cal.
16 Code Civ. Proc. § 1021.5; and
- 17 F. For such other and further relief at law or in equity as the Court deems just and
18 proper.

19
20 Dated: July 9, 2025

VENABLE LLP

21
22 By: 

23 Daniel S. Silverman
24 Belinda M. Vega
25 Jordan E. Ferguson
26 Sarah M. Hoffman
27 Matthew L. Raber
28 *Attorney for Plaintiffs*
Venice Community Housing Corporation,
Hollywood Community Housing
Corporation, and Venice Dell, L.P.

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DEMAND FOR JURY TRIAL

Pursuant to Section 631 of the California Code of Civil Procedure, Plaintiffs hereby request a trial by jury on all issues so triable.

Dated: July 9, 2025

VENABLE LLP


By: 
Daniel S. Silverman
Belinda M. Vega
Jordan E. Ferguson
Sarah M. Hoffman
Matthew L. Raber
Attorney for Plaintiffs
Venice Community Housing Corporation,
Hollywood Community Housing
Corporation, and Venice Dell, L.P.

EXHIBIT A

CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,
COUNCIL/PUBLIC SERVICES DIVISION
ROOM 395, CITY HALL

DATE: June 30, 2022

(PLEASE DO NOT STAPLE THE CONTRACT FOR THE CLERK'S FILE)

FROM (DEPARTMENT): Los Angeles Housing Department

CONTACT PERSON: Laura Byeon

PHONE: _____

CONTRACT NO.: C-140728

COUNCIL FILE NO.: 22-0496

ADOPTED BY COUNCIL: 6/15/2022

DATE

APPROVED BY BPW: _____

DATE

NEW CONTRACT x

AMENDMENT NO. _____

ADDENDUM NO. _____

SUPPLEMENTAL NO. _____

CHANGE ORDER NO. _____

CONTRACTOR NAME: Venice Dell L.P, a California Limited Partnership

TERM OF CONTRACT: Eff. date upon execution THROUGH: 99 year term Ground Lease

TOTAL AMOUNT: \$0

PURPOSE OF CONTRACT:

Disposition and Development Agreement for development of affordable housing at the Venice Dell Community.

NOTE: CONTRACTS ARE PUBLIC RECORDS - SCANNED AND UPLOADED TO THE INTERNET

DISPOSITION AND DEVELOPMENT AGREEMENT

VENICE DELL COMMUNITY PROJECT

by and among

CITY OF LOS ANGELES

("City"),

and

VENICE DELL L.P.

a California Limited Partnership

("Developer")

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DISPOSITION AND DEVELOPMENT AGREEMENT

This Disposition and Development Agreement ("Agreement"), dated, for identification purposes only, as of June 30, 2022, is entered into by and among Venice Dell L.P., a California Limited Partnership ("Developer"), and the CITY OF LOS ANGELES, acting by and through its Los Angeles Housing Department ("City" or "LAHD"). LAHD and Developer are sometimes individually referred to in this Agreement as "Party" and collectively referred to as "Parties."

ARTICLE 1. SUBJECT OF AGREEMENT.

1.1 Purpose of Agreement.

a. The purpose of this Agreement is to effectuate the disposition and development of certain real property commonly known as 2102-2120 S. Pacific Avenue, 125 E. South Venice Blvd, 116-128 E. Venice Blvd, 204-208 E. Venice Blvd, 214 E. Venice Blvd, 302 E. Venice Blvd, 301-319 E. Venice Blvd, 2116 S. Canal St, 200 E. Venice Blvd, 2106 S. Canal St. and 210-212 E. Venice Blvd, Los Angeles, California and stabilize the neighborhood by providing, subject to all the terms and conditions of this Agreement, for the following: (i) the disposition of leasehold interest(s) in that certain real property currently owned in fee title by the City and located on the Site (defined below), to the Developer on the terms described in this Agreement and in the Ground Lease and related documents described below; and (ii) the redevelopment and operation of affordable housing on the Site as more particularly provided in this Agreement (the "Project"). The disposition, development, financing and use of the Site pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City of Los Angeles and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

b. The Developer will lease the Site for a Ninety Nine (99) year term and will pay rent to the City for a below Fair Market Value ("FMV") ground lease rent based on a Reuse Value Appraisal to be conducted prior to the execution of the Ground Lease, as follows:

(1) for the First Fifty Five (55) years of the Ground Lease ("Initial Term"), the Developer will pay the City a base annual ground lease payment of One Dollar ("Base Rent"), for the duration of the Initial Term, with an option by the Developer to prepay the rent for the full Initial Term rate at closing. Upon conclusion of the Initial Term, the Ground Lease may be extended for four (4) eleven-year terms, up to a maximum total lease term of Ninety Nine (99) years; and

(2) at the end of the Initial Term, Developer may extend the ground lease for up to four (4) 11-year term extensions. The City Rent will be reappraised and adjusted by the City at the time of each extension, in compliance with the State Law requirements for long term leases; and

(3) there will be no annual residual ground lease rent charged; and

(4) City Ground Lease will not be subordinated to the construction and permanent debt lenders of the Project; and

(5) If the affordability restrictions are no longer in place, then the project will pay the full FMV lease payment.

c. It is the intention of the City and Developer that the Project shall develop new housing that will be operated and maintained as rental housing that will be affordable to and occupied by persons and families of Moderate, Low, Very-Low and Extremely Low Income, as more particularly described in this Agreement, below.

d. When completed, the residential Project will consist of: a total of One hundred and forty (140) residential units, located in two separate buildings on the west and east side of the site, of which one hundred and thirty six (136) units will be affordable units for rent to residents with personal or household income not to exceed Moderate Income pursuant to California Health and Safety Code Section 50093, and an additional four (4) units will be unrestricted for use by the property manager on-site, as further described in the Regulatory Agreement (**Exhibit I**). The Project is comprised of thirteen (13) live/work units, forty three (43) studio units, five (5) one-bedroom units, and two (2) two-bedroom units which will be located in the west building; and twenty one (21) live/work units, twelve (12) studio units, twenty (20) one-bedroom units, twenty four (24) two-bedroom units which will be located in the east building. The Project will include 105 parking spaces which will be located in a three-story parking structure in the west building. The City will own and operate a three-story (five-level), public parking structure with 252 spaces on the east side of the Site, which will include 2 short-term boat launch spaces, the 27 Beach Impact Parking (BIP) spaces that are required for the Project and the 196 DOT replacement public parking spaces. DOT/GSD will enter into a separate Public Parking Agreement with an affiliate of Developer to construct the public parking structure on behalf of the City. Land under the DOT public parking structure identified as airspace lot 8 pursuant to the approved Vesting Tentative Tract Map (No. VTT-82288) will not be included in this ground lease. The Project will include supportive services offices for the residents, a community art space, laundry facilities, outdoor landscaped areas, rooftop decks, and one hundred and thirty six (136) bicycle storage spaces. The Project's gross building area will be 103,957 square feet, consisting of 64,280 square feet of residential living area, 19,825 square feet of support offices and common area (including covered alcoves and overhangs), 2,255 square feet of retail space, 810 square feet of restaurant space, 2,875 square feet of art studio space, and 13,815 square feet of circulation space.

The target populations of the Project are homeless families (68 units), low-income families (34 units) and low-income artists (34 units). As part of the Project, Venice Community Housing Corporation will provide five full-time staff for Intensive Case Management Services and Service Coordination ("SC"). The onsite SC will provide the following services: (1) coordinate with onsite therapeutic and community groups for housing support and stability, mental health support, harm reduction and recovery; (2) oversee volunteer coordination and in-kind donations for on-site services and develop a tenant council; (3) assist tenants with employment and educational pursuits, accompany tenants to appointments with rental subsidy compliance and be a liaison with Property Management; and (4) support Case Managers.

e. Commercial Component:

During the Initial Term, the Developer will pay the City an annual Ground Lease payment that is equivalent to 50% of the annual residual receipts. The City Rent will be reappraised and adjusted by the City at the time of each extension, in compliance with the State Law requirements for long term leases.

f. This Agreement is entered into for the purpose of redeveloping the Site and providing affordable housing and not for speculation in landholding. The City's conveyance of a leasehold interest in the Site to the Developer for the development of the Site pursuant to this Agreement is in the vital and best interests of the Project Area and the health, safety, morals and welfare of the residents therein, and is in accord with the public purposes and provisions of applicable state and local laws.

g. The City intends by this Agreement to cause the redevelopment of the Site to occur and to preserve and improve the community's supply of affordable housing for Moderate, Low and Very Low Income Households. The City would not have agreed to convey any interest to the Developer but for Developer's agreement to develop, use and maintain the Site in conformity with this Agreement and other related documents described below.

h. Each Party hereby acknowledges that it will obtain valuable benefits from this Agreement. The Parties further acknowledge that in entering into this Agreement, each Party is relying on the performance of the other Party.

(i) The City acknowledges that the development and use of the Project on the Site by Developer pursuant to the terms and conditions of this Agreement will further the purposes set forth in the California Redevelopment Law if applicable, and policies adopted by the City and the City Council by preserving and improving the community's supply of housing that is affordable to persons and families of low and moderate income helping to remedy the physical and economic conditions of blight (the "Project Area"), generating construction jobs in the development of the Project and

permanent jobs in its operation, and encouraging further private investment that will benefit the entire Project Area.

(ii) Developer acknowledges that performance by the City of its obligations pursuant to the terms of this Agreement will provide to Developer and its principals significant and valuable financial benefits and that the City's performance of these obligations is in consideration of Developer's commitment to comply with the requirements of this Agreement and the ground lease for development, construction, operation and use of the Project on the Site. These benefits will include, but not be limited to: Developer's leasehold interest in the Site; Developer fees associated with the development of the Project; and property management fees associated with the long-term lease and management of the Project.

i. Except as otherwise explicitly set forth in this Agreement, in the Ground Lease, and/or in any documents evidencing the City financial assistance, if any, for this Project, the design, development, construction, and operation of the Project shall be at the sole cost and expense of the Developer.

1.2 Definitions.

Capitalized terms not otherwise defined in this Agreement shall have the following meanings:

"Affiliate" shall mean any person directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Developer, which, in the case of a partnership, shall include, each of the constituent general partners thereof, and in the case of a limited liability company, each of the constituent members thereof. The term "control", as used in the immediately preceding sentence, means, with respect to a corporation, the right to exercise, directly or indirectly, fifty percent (50%) or more of the voting rights attributable to the shares of the controlled corporation and, with respect to a person that is not a corporation, the possession directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person.

"Affordable Rent" shall have the appropriate meaning set forth in California Health and Safety Code Section 50053(b), which, as of the date hereof, means monthly rent, including a reasonable utility allowance, that does not exceed the following respective amounts (which are more particularly set forth in the Income and Rent Limits exhibit attached to the Regulatory Agreement (**Exhibit I** of Part I of Exhibits):

(a) for an Extremely Low Income Household, one-twelfth of the product of thirty percent (30%) times thirty percent (30%) of the Area Median Income adjusted for family size appropriate for the unit, (as that term is defined in California Health and Safety Code Section 50052.5), as determined by the California Department of Housing and Community Development ("HCD");

(b) for a Very Low Income Household, one-twelfth of the product of thirty percent (30%) times fifty percent (50%) of the Area Median Income adjusted for family size appropriate for the unit, as determined by HCD;

(c) for a Low Income Household, one-twelfth of the product of thirty percent (30%) times sixty percent (60%) of the Area Median Income adjusted for family size appropriate for the unit, as determined by HCD, which Developer may adjust upon each annual income verification and recertification for any Low Income Household with an annual income that exceeds sixty percent (60%) but does not exceed eighty percent (80%) of Area Median Income, to an amount that does not exceed thirty percent (30%) of the gross income of the Household; and

(d) for a Moderate Income Household, one-twelfth of the product of thirty percent (30%) times one hundred ten percent (110%) of the Area Median Income adjusted for family size appropriate for the unit as determined by HCD, which Developer may adjust upon each annual income verification and recertification for any Moderate Income Household with an annual income that exceeds one hundred ten percent (110%) but does not exceed one hundred twenty percent (120%) of Area Median Income, to an amount that does not exceed thirty percent (30%) of the gross income of the Household.

"Affordable Unit" shall mean any of the dwelling units in the Improvements required by this Agreement and/or the Regulatory Agreement to be rented exclusively to and occupied by an Extremely Low, Very Low, Low or Moderate Income Household.

"Agreement" shall mean this Disposition and Development Agreement, as the same may be amended from time to time.

"Area Median Income" shall have the meaning set forth therefor in California Health and Safety Code Section 50093, as it may be amended from time to time.

"Assignment of Agreements, Plans, Specifications and Entitlements" shall mean an instrument substantially in the form attached to this Agreement as **Exhibit G** of Part I of Exhibits.

"Building Permit" shall mean all building and grading permits required to be obtained from the City for the construction of the Improvements.

"Business Day" means a week day, and shall specifically exclude those days described in California Civil Code Section 7.1, as amended from time to time.

"Certificate of Completion" shall mean that certificate issued by the City to the Developer pursuant to Section 6.4 of this Agreement.

"City" shall mean the City of Los Angeles, California, a municipal corporation, operating through its governing body, the City Council, and its various departments.

"City Development Documents" means, collectively, this Agreement, the Ground Lease, the Memorandum of Ground Lease, the Regulatory Agreement, the Notice of Affordability Restrictions, the City Leasehold Deed of Trust, if any, the Intercreditor Agreement (if any), the Assignment of Agreements, Plans, Specifications and Entitlements, and all other documents required to be executed by the Developer and/or the City in connection with the transactions contemplated by this Agreement, with all amendments and modifications thereto.

"City Leasehold Deed of Trust" shall mean the City Leasehold Deed of Trust securing any monetary obligations under this Agreement and the City Ground Lease and related documents, due to the City from the Developer.

"City Rent" shall mean a rent payable to the City by Developer:

(a) for the First Fifty Five (55) years of the Ground Lease ("Initial Term"), the Developer will pay the City a base annual ground lease payment of One Dollar ("Base Rent"), for the duration of the Initial Term. Upon conclusion of the Initial Term, the Ground Lease may be extended for four (4) eleven-year terms, up to a maximum total lease term of Ninety Nine (99) years; and

(b) at the end of the Initial Term, Developer may extend the ground lease for up to four (4) 11-year term extensions. The City Rent will be reappraised and adjusted by the City at the time of each extension, in compliance with the State Law requirements for long term leases.

(c) there will be no annual residual ground lease rent charged. The City Ground Lease will not be subordinated to the construction and permanent debt lenders of the Project. If the affordability restrictions are no longer in place, then the project will pay the full FMV lease payment.

"Community Outreach Plan" shall mean the plan described in Section 6.13.c. of this Agreement.

"Completion" shall mean completion of construction of the Improvements as required by all the requirements of this Agreement.

"Construction Lender" shall mean the maker of the Construction Loan.

"Construction Loan" shall mean a loan secured by a Construction Loan Deed of Trust and made by a third party to Developer to finance certain development costs of the Project during the construction phase of the Project.

"Construction Loan Deed of Trust" shall mean any deed of trust recorded against the Site securing a Construction Loan.

"Construction/Permanent Loan" shall mean a loan that is both a Construction Loan and Permanent Loan.

"Construction/Permanent Loan Deed of Trust" shall mean any deed of trust recorded against the Site securing a Construction/Permanent Loan.

"Developer" shall mean Venice Dell L.P., a California Limited Partnership, or any permitted Transferee or successor in interest approved by the City in accordance with Article 7 of this Agreement.

"Development Costs" shall mean any properly documented costs incurred by Developer in connection with the ground lease of the Site and the entitlement, design, financing and construction of the Project, as set forth in the Project Budget and Financing Plan.

"Effective Date" shall mean the date, after this Agreement is initially executed by Developer and approved by the City, that this Agreement is executed by the LAHD General Manager or designee, and/or City Clerk, which date shall be the latest date set forth on the signature page(s) of this Agreement.

"Eligible Household" shall mean, as applicable to this Agreement, a household with income level not exceeding the maximum income level as established in the Regulatory Agreement and is otherwise eligible to rent an Affordable Unit.

"Encumbrance" shall mean and include any mortgage, deed of trust, lease, lien, easement, restrictive covenant or regulatory agreement or other security interest recorded against title to the Site.

"Environmental Laws" shall mean all federal, state and local laws, ordinances and regulations relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, release, disposal or transportation of Hazardous Substances.

"Event of Default" shall have the meaning set forth in Section 10.1 of this Agreement.

"Exceptions" shall mean all exceptions, reservations, liens, encumbrances, qualifications, covenants, conditions, restrictions, leases, easements, rights of way, or other like matters affecting the Site, and all matters or states of facts reflected on or arising out of any tentative or final parcel map for the Site, or concerning or related to zoning, subdivision, permitted use or physical condition of the Site, or arising from the redevelopment, development or related activities of Developer.

"Extension Base Rent" shall mean a revised City Rent in the amount of the FMV of the "As-Is" leasehold interest in the Site based on an appraisal conducted within six months of the lease renewal date prepared by a City approved real estate appraiser if, and only if, there is an increase in the maximum applicable affordable rent restrictions for the Project pursuant to the Regulatory Agreement: the City ("Extension Base Rent").

"Extremely Low Income Households" shall have the meaning set forth therefor in California Health and Safety Code Section 50106, as it may be amended from time to time.

"Financing Plan" shall mean the plan described in Section 3.2.b. of this Agreement.

"General Contractor" shall mean the licensed contractor or firm selected by Developer with overall responsibility for construction of the Project.

"Governmental Restrictions" shall mean and include any and all laws, statutes, ordinances, codes, rules, regulations, writs, injunctions, orders, decrees, rulings, conditions of approval, or authorization, now in force or which may hereafter be in force, of any governmental entity, agency or political subdivision.

"Ground Lease" shall mean that certain 99-year ground lease with respect to the Site to be entered into between the City, as ground lessor, and Developer, as ground lessee, subject to and as contemplated in this Agreement, as it may be amended to the extent permitted by applicable City and State laws (as determined prior to entry into the Ground Lease). A Form of the Ground Lease is attached to this Agreement as Exhibit L of Part 1 of Exhibits.

"Hazardous Materials" shall mean: (i) any chemical, compound, material, mixture or substance that is now or may later be defined or listed in, or otherwise classified pursuant to, any Hazardous Materials Law as a "hazardous substance", "hazardous waste", "extremely hazardous waste", acutely hazardous waste", radioactive waste", infectious waste", biohazardous waste", "toxic substance", "pollutant", "toxic pollutant", "contaminant", as well as any formulation not mentioned herein intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "EP" toxicity, or "TCLP toxicity"; (ii) petroleum, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable

for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (iii) "hazardous substance" as defined in Section 25281 of the California Health and Safety Code; (iv) "waste" as defined in Section 13050(d) of the California Water Code; (v) asbestos in any form; (vi) urea formaldehyde foam insulation; (vii) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls (PCBs) in excess of fifty (50) parts per million; (viii) radon; and (ix) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is now or hereafter limited or regulated for health and safety reasons by any governmental authority, or which poses or is later determined to pose a significant present or potential hazard to human health and safety or to the environment if released into the workplace or the environment. The term "Hazardous Materials" shall not include: construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of residential property, or commonly used or sold by hardware, home improvement stores, or medical clinics and which are used and stored in accordance with all applicable Hazardous Materials Laws.

"Hazardous Materials Laws" means all present and future federal, state and local laws, ordinances, regulations, permits, guidance documents, policies, decrees, orders and any other requirements, whether statutory, regulatory or contractual, of governmental authorities relating to health, safety, the environment or the use, handling, disposal or transportation of any Hazardous Materials (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation Recovery Act, the Clean Water Act, the Clean Air Act, and the applicable provisions of the California Health and Safety Code and the California Water Code, as each such statute may from time to time be amended, and the rules, regulations and guidance documents promulgated pursuant to any such statute).

"HCD" shall mean the California Department of Housing and Community Development.

"Housing Design Guidelines" shall mean the City's Residential Citywide Design Guidelines, substantially in the form included in Part II of Exhibits, receipt of which is hereby acknowledged.

"HUD Requirements" shall mean the requirements, to the extent applicable, listed in the form included as **Exhibit K** of Part I of Exhibits, receipt of which is hereby acknowledged.

"Improvements" shall mean and include all demolition, site preparation and grading, as well as all buildings, structures, fixtures, excavation, parking, landscaping,

and other work, construction, rehabilitation, alterations and improvements of whatsoever character to be constructed or performed by Developer on, around, under or over the Site pursuant to this Agreement.

“Intercreditor Agreement” shall mean an agreement by and among LAHD, Developer, and/or other parties, as applicable, in form and substance that is acceptable to the City or its designee and that addresses, among other things, the disbursement of loan proceeds by the Lender(s) and gives the City the right to review and comment on disbursements by the other Lender(s), as it may be and to extent provided therein.

“Investor Member/Limited Partner Capital Contribution” shall mean funds provided to Developer by the Tax Credit Equity Investor in consideration of the Low Income Tax Credit and Historic Rehabilitation Tax Credit.

“LAHD” shall mean the City of Los Angeles, acting by and through its Los Angeles Housing Department of the City.

“Losses and Liabilities” shall mean and include all claims, writs, demands, causes of action, liabilities, losses, damages, judgments, injuries, expenses (including, without limitation, attorneys’ fees and costs incurred by the indemnified party with respect to legal counsel of reasonably acceptable to it) charges, penalties or costs of whatsoever character, nature and kind, whether to property or to person, and whether by direct or derivative action, known or unknown, suspected or unsuspected, latent or patent, existing or contingent.

“Low or Moderate Income Households” shall have the same meaning as the term “persons and families of low or moderate income” set forth in California Health and Safety Code Section 50093, as it may be amended from time to time.

“Low Income Households” shall have the same meaning as the term “Lower income households” set forth in California Health and Safety Code Section 50079.5, as it may be amended from time to time.

“Low Income Housing Tax Credit” shall mean the tax credit authorized by the Tax Reform Act of 1986 and governed by Section 42 of the Internal Revenue Code.

“Management Plan” shall mean a plan as described in Section 7.5.a. of this Agreement.

“Moderate Income Households” shall have the same meaning as the term “persons and families of low or moderate income” set forth in California Health and Safety Code Section 50093, as it may be amended from time to time.

"Notice of Affordability Restrictions" shall mean, if applicable to the Project, the Notice of Affordability Restrictions on Transfer of Property to be recorded against the Site, substantially in the form attached to this Agreement as **Exhibit J of Part I of Exhibits**.

"Ownership and/or Control" shall mean, without limitation, a majority of voting rights and beneficial ownership with respect to all classes of stock in a corporation or controlling interests in partnerships or limited liability companies, and/or beneficial interests under a trust, as may be applicable to the type of entity in question. In the case of a trust, such term shall also include the rights of the trustee as well as the beneficiary.

"Parties" shall mean the City, LAHD and the Developer, collectively, and "Party" shall mean either the City, LAHD or the Developer.

"Permanent Lender" shall mean the maker of the Permanent Loan.

"Permanent Loan" shall mean the loan secured by a Permanent Loan Deed of Trust and made by a third party to Developer to finance certain development costs of the Project after construction completion and stabilization of occupancy of the Project.

"Permanent Loan Deed of Trust" shall mean any deed of trust recorded against the Site securing a Permanent Loan.

"Permitted Lender" shall mean the holder of any Security Financing Interest authorized by this Agreement and identified in the Project Budget or Financing Plan.

"Permitted Loan" shall mean any loan secured by a Security Financing Interest authorized by this Agreement and identified in the Project Budget.

"Permitted Transfer" means any of the following, provided Developer or a general partner or managing member, as the case may be, of Developer retains day-to-day control over management and operations of the Site and the Improvements other than as provided in (a) and (g) below:

- a. A conveyance of a security interest in the Site in connection with any Permitted Loan and any subsequent transfer of leasehold title by foreclosure, deed or other conveyance in lieu of foreclosure in connection therewith;
- b. A conveyance of leasehold interest in the Site or other Transfer by Developer to a limited partnership or limited liability company in which Developer is managing general partner or managing member, as the case may be, and the Tax Credit Equity Investor is a limited partner or member, as the case may be, or to any other Affiliate, or a conveyance back from such entity to Developer;

- c. The inclusion of equity participation by Developer by addition of members to Developer's limited liability company, limited partners to Developer's limited partnership, or similar mechanisms;
- d. The sale of non-managing membership or limited partnership interests to any Affiliate of the Tax Credit Investor;
- e. The lease for occupancy of all or any part of the Improvements on the Site;
- f. The granting of easements or permits to facilitate the development of the Site in accordance with this Agreement;
- g. In addition, the withdrawal, removal and/or replacement of any managing member of Developer's limited liability company or general partner of Developer's partnership, as the case may be, pursuant to the terms of the Developer's LLC Agreement or partnership agreement, as the case may be, shall not constitute a default under this Agreement or any of the City Development Documents, provided that any required substitute member or general partner, as the case may be, is reasonably acceptable to the City and is selected with reasonable promptness;
- h. Any other transfer approved in writing by the City or its designee, at its sole discretion;

"Person" means an individual, corporation, partnership, Limited Liability Company, joint venture, association, firm, Joint Stock Company, trust, unincorporated association or other entity.

"Project" shall mean Developer's lease of the Site and the development of the Improvements on the Site as required by this Agreement and the Scope of Development.

"Project Architect" shall mean the licensed architect or firm of architects selected by Developer with overall responsibility for the design of the Project.

"Project Budget" means the preliminary estimate of sources and uses of funds necessary to develop the Project attached to this Agreement as **Exhibit E** of Part I of Exhibits.

"Project Documents" shall mean and include such preliminary and Final Construction Drawings and specifications, grading plans, landscape plans, site development plans, plot plans, off-site improvement plans, architectural renderings and elevations, material specifications, parking plans and other plans and documents as are

required to be submitted to LAHD pursuant to Article 5 of this Agreement or any applicable Governmental Restrictions.

"Redevelopment Plan" shall mean the "Redevelopment Plan for the Redevelopment Project Area in which the project is located" adopted by Ordinance of the City Council of the City of Los Angeles, as amended from time-to-time.

"Regulatory Agreement" shall mean the Regulatory Agreement to be entered into by the City and Developer and recorded against the Site, in the form attached to this Agreement as **Exhibit I** of Part I of Exhibits.

"Residual Receipts" [intentionally omitted].

"Residual Receipts Lease" [intentionally omitted].

"Schedule of Performance" shall mean the Schedule of Performance including project's Milestones, attached to this Agreement as **Exhibit C** of Part I of Exhibits, which is incorporated herein by this reference. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Developer and the City or its designee.

"Scope of Development" shall mean the Scope of Development attached to this Agreement as **Exhibit D** of Part I of Exhibits, which is incorporated herein by this reference.

"Security Financing Interests" shall have the meaning set forth in Section 9.1.b. of this Agreement.

"Site" shall mean that certain real property consisting of City sites: at 2102-2120 S. Pacific Avenue, 125 E. South Venice Blvd, 116-128 E. Venice Blvd, 204-208 E. Venice Blvd, 214 E. Venice Blvd, 302 E. Venice Blvd, 301-319 E. Venice Blvd, 2116 Canal St and 210-212 E. Venice, Los Angeles, California depicted on the Site Map attached to this Agreement as **Exhibit A** of Part I of Exhibits and more particularly described by the Legal Description attached to this Agreement as **Exhibit B** of Part I of Exhibits. Land under the DOT public parking structure identified as airspace lot 8 pursuant to the approved Vesting Tentative Tract Map (No. VTT-82288) will not be included in this ground lease

"Soft Lenders" shall mean lenders, such as governmental agencies, that provide financial assistance to the project on a residual receipts basis with loan terms favorable to the developer. Soft lenders may include, but are not limited to, the Housing & Community Investment Department (LAHD) which administers the Affordable Housing Trust Fund and Measure HHH, the LA County Community Development Commission (LACDC) which administers the LA County Multi-family Rental Housing Program and the

Housing & Commuunity Development Department of California (HCD) which administers the Affordable Housing & Sustainable Communities Program and other affordable housing subsidy programs.

“Statutory Request for Notice of Default” shall mean an instrument substantially in the form attached to this Agreement as **Exhibit H** of Part I of Exhibits

“Tax Credit Equity Investor” shall mean any Person who will be an investor member in Developer’s limited liability company or investor limited partner in Developer’s partnership, as the case may be, and who will purchase the Low Income Housing Tax Credit and Historic Preservation Tax Credit and own not less than a 99% interest in Developer.

“Venice Dell Community” shall mean that certain real property, owned by the City of Los Angeles, located at [Address] depicted on the Site Map attached to this Agreement as **Exhibit A** of Part I of Exhibits and more particularly described by the Legal Description attached to this Agreement as **Exhibit B** of Part I of Exhibits.

“Third Party Lender” shall mean the maker of any Loan or beneficiary of any Loan deed of trust, except for the City.

“Third Party Loan” shall mean the Construction Loan, Permanent Loan, Construction/Permanent Loan (if any), and/or any other loan, credit enhancement or construction period guaranty facility that is secured by a deed of trust or other instrument.

“Title Company” shall mean Commonwealth Land Title Company or such other title insurance company as may be approved by the City.

“Total Development Costs” shall mean the total cost to Developer of acquiring the Site and designing, entitling, financing and constructing the Project thereon, as set forth in the Project Budget and Financing Plan.

“Transfer” shall mean and include any voluntary or involuntary transfer, sale, assignment, lease, sublease, license, franchise, concession, operating agreement, gift, hypothecation, mortgage, pledge or encumbrance, or the like, of all or any portion of the Site, any rights or obligations of the Developer under this Agreement, or any interest in the Developer, to any person or entity (“Transferee”).

“Very Low Income Households” shall have the meaning set forth therefor in California Health and Safety Code Section 50105, as it may be amended from time to time.

1.3 Exhibits.

The following is a list of the exhibits applicable to this Agreement. The exhibits constituting Part I are attached to this Agreement. The exhibits constituting Part II are Standard City Contracting Requirements which are set forth in a separate document, the receipt of which is hereby acknowledged by Developer. All of the exhibits are hereby incorporated by this reference as though fully set forth herein.

a. Part I of Exhibits:

- A. Site Map
- B. Legal Description
- C. Schedule of Performance and Milestones
- D. Scope of Development
- E. Project Budget
- F. [Intentionally omitted]
- G. Form of Assignment of Agreements, Plans, Specifications and Entitlements
- H. Form of Statutory Request for Notice
- I. Form of Regulatory Agreement
- J. Form of Notice of Affordability Restrictions [intentionally omitted]
- K. HUD Requirements
- L. Form of Ground Lease

b. Part II of Exhibits (Standard City Contracting Requirements):

- 1. City of Los Angeles Requirements
- 2. ADA Covenants
- 3. Mayoral Directive
- 4. City Insurance Requirements

ARTICLE 2. PARTIES TO THE AGREEMENT.

2.1 City of Los Angeles.

The City of Los Angeles is a municipal corporation, acting by and through the Los Angeles Housing Department. The address of LAHD for the purposes of receiving notice pursuant to this Agreement is:

Los Angeles Housing Department
1200 W. 7th Street, Suite 900
Los Angeles, CA 90017
Attention: General Manager

With a copy to:

Los Angeles Housing Department
Asset Management Division
1200 W. 7th Street, Suite 900
Los Angeles, CA 90017
Attention: Asset Manager

The term "LAHD" includes any assignee or successor to LAHD's rights, powers and responsibilities under this agreement.

2.2 Developer.

Developer is Venice Dell L.P., a California Limited Partnership. The address of Developer for purposes of receiving notice pursuant to this Agreement is:

Venice Community Housing Corporation
200 Lincoln Blvd.
Venice, CA 90291

Attention: Rebecca Dennison

With a copy to:

Hollywood Community Housing Corporation
5020 Santa Monica Blvd.
Los Angeles, CA 90029

Attention: Sarah Letts

The term "Developer" as used herein includes any authorized and approved Transferee of Developer as permitted in accordance with Article 8 of this Agreement. All of the terms, covenants, and conditions of this Agreement shall be binding on such Transferees, successors and assigns of Developer.

2.3 No Joint Venture.

The City and Developer are not and shall not be deemed to be partners, co-venturers, joint ventures or in any other way related to one another, nor shall either party have any fiduciary, confidential or agency relationship with the other. Nothing contained in this Lease will be deemed or construed by the Parties or by any third person or court to create the relationship of principal and agent or of partnership or of joint venture or of any association between the City and Lessee, and neither the method of computation of Rent nor any other provisions contained in this Lease nor any acts of the parties will be deemed to create any relationship between the City and Lessee, other than the relationship of lessor and lessee.

ARTICLE 3. DISPOSITION OF SITE.

3.1 Conditions Precedent to Close of Escrow.

Subject to the terms and conditions of this Agreement, the City shall execute and deliver the Ground Lease to the Site to Developer for redevelopment and the provision of affordable housing. The City shall not be obligated to convey title to the Site to Developer, and the Close of Escrow shall not occur, if an Event of Default has occurred and has not been cured within the applicable cure period, if any. The Close of Escrow is further conditioned upon the timely satisfaction of each of the following conditions (the "Conditions Precedent"), not later than the time provided in the Ground Lease Schedule of Performance for the Closing Date (as such date may be extended in accordance with the terms of this Agreement). It shall be Developer's obligation to cause all of the Conditions Precedent to be satisfied in a timely fashion, as provided in this Agreement, and to provide written documentation sufficient for the LAHD General Manager or designee to determine compliance, not later than ten (10) Business Days prior to the scheduled Closing Date (unless a different time is provided in this Agreement). The City shall have the right to approve or disapprove any submittal. Any approval or disapproval shall be in writing. Any disapproval shall contain an explanation of the reason(s) for disapproval. Developer shall have eight (8) Business Days after any disapproval to submit additional or corrected documentation. Failure by the City to approve or disapprove any submittal in writing within ten (10) Business Days of receipt shall be deemed a disapproval. The City shall have the right to terminate this Agreement in the event of a failure of any Condition Precedent within the respective time specified for the satisfaction of such condition in this Agreement, but in any event not later than the time provided in the Schedule of Performance for the scheduled Closing Date. Unless expressly provided otherwise, each of the following conditions is for the exclusive benefit of the City.

(i) Developer's Certificate. Developer shall certify to the City in writing that (i) all information provided by Developer to the City in connection with this Agreement remains true and correct in all material respects; and (ii) Developer is in full compliance with the terms of this Agreement and there exists no Event of Default pursuant to this Agreement, nor has any act, omission or condition occurred that, with the giving of notice, would constitute an Event of Default pursuant to this Agreement;

(ii) Opinion of Developer's Counsel. Developer shall deliver to the City a written opinion in a form acceptable to the City, to be signed by counsel to Developer on the Closing Date, with respect to: (i) the legality, validity and binding effect of this Agreement and its enforceability against Developer in accordance with its terms; (ii) the absence of any litigation or other proceedings, either pending or threatened, which could have a material adverse effect on the ability of Developer to perform pursuant to this Agreement; and (iii) such other standard and

customary matters for legal opinions to be given by Developer's counsel in real estate secured financing transactions as reasonably requested by LAHD. The opinion of Developer's counsel shall disclose whether any consent, approval or other authorization, regulation, declaration or filing with any court or other governmental agency or commission or other public entity is required for the due execution and delivery of this Agreement and City Development Documents pursuant to this Agreement;

(iii) Developer's Formation Documents. Developer shall deliver to LAHD documentation relating to the status of Developer's corporate, partnership, limited liability or other similar entity, and those of any general partners or managing members of Developer, including, without limitation and as applicable, the following: limited partnership agreements and any amendments thereto; articles of incorporation; limited liability company articles of incorporation (LLC-1); statement of information and operating agreement (including any amendments thereto); copies of all resolutions or other necessary actions taken by such entity to authorize the execution of this Agreement and related documents; and a certificate of status issued by the California Secretary of State;

(iv) Title. The Title Company shall confirm in writing that all conditions precedent to the Close of Escrow for Developer to take leasehold title to the Site, other than the payment of the City Rent, shall have been satisfied;

(v) Appraisal or Other Determination of Value. The City shall have determined, in their sole discretion, that the City Rent payable by Developer for the Site is acceptable;

(vi) Site Conditions. The City and Developer shall determine that no adverse Site conditions exist that may interfere with the development of the Site as provided in this Agreement, or, if such Site conditions exist, that they are being addressed to the satisfaction of the City. This condition is for the benefit of the City and Developer;

(vii) Title Insurance Policy. The City shall have received written confirmation from the Title Company that the Title Company is committed to issue to the City, upon the Close of Escrow, without cost to the City, a Title Insurance Policy (without deletions), together with such endorsements as the City may request. This condition is for the benefit of the City and Developer;

(viii) Evidence of Insurance. Developer shall have submitted to the City evidence of the Insurance Policies required by Section 7.10 of this Agreement. The City shall be named as loss payee or additional insured on all policies, as applicable. Developer shall ensure that all worker compensation insurance policies

carried by the General Contractor and subcontractors working on the Project include a waiver of subrogation in favor of the City.

(ix) Project Budget. As a condition precedent to the Close of Escrow, the acceptance of the ground lease, Developer shall deliver to the City a certification in writing that the Project Budget remains in effect as of such date, or Developer shall have delivered to the City a proposed revision to the Project Budget, demonstrating to the reasonable satisfaction of the LAHD General Manager or designee the availability of sufficient funds to pay all Total Development Costs.

(x) Financing Plan. Developer shall have submitted and the City shall have approved a Financing Plan for the Project, meeting the requirements of Section 3.2.b. of this Agreement.

(xi) Closing Cost Statement. The City and Developer shall have received an estimated closing cost statement of costs from the Escrow Agent. This condition shall be for the benefit of the City and Developer;

(xii) Recording Instructions. Developer and the City shall have executed and delivered to the Escrow Agent mutually agreed-upon and irrevocable supplemental escrow and recording instructions authorizing the Escrow Agent to record and/or deliver the closing documents listed below, which escrow instructions shall also state that the Memorandum of Ground Lease and related documents shall be recorded only upon satisfaction of the Conditions Precedent, and the Escrow Agent shall have approved such supplemental escrow and recording instructions as may have been prepared on behalf of the City and Developer; and

(xiii) Documents. Not later than two (2) Business Days prior to the Close of Escrow, the City, Developer and/or other parties, as appropriate, shall have executed the following documents and delivered them to the Escrow Agent, for recording and distribution, as appropriate, upon the Close of Escrow:

(i) Ground Lease (to be signed by the City and consented to by Developer before or concurrently with the Close of Escrow). This condition shall be for the benefit of the City and Developer;

(ii) City Memorandum of Ground Lease (to be signed by Developer and the City and recorded concurrently with the Close of Escrow);

(iii) Regulatory Agreement (to be signed by Developer and the City and recorded concurrently with the Close of Escrow);

(iv) Notice of Affordability Restrictions on Transfer of Property (to be signed by the City and Developer and recorded concurrently with the Close of Escrow);

(v) Assignment of Agreements, Plans, Specifications and Entitlements (to be signed by Developer, Project architect and contractor, as applicable, and retained by the City);

(vi) Intercreditor Agreement(s), if any (to be signed by the City, Developer and any other lender(s) party to such agreement); and

(vii) Statutory Request for Notice under Section 2924b of the Civil Code (to be signed by the City and recorded upon the Close of Escrow).

3.2 Financing for the Project.

a. Project Budget. The Parties estimate that the Total Development Costs will be as set forth in the Project Budget. The initial Project Budget is attached to this Agreement as **Exhibit E** to Part I of Exhibits. The Parties acknowledge that the Project Budget shall serve as a guide for preparation of a more detailed Financing Plan. From time to time after the execution of this Agreement and through completion of construction, the Project Budget shall be subject to one or more amendments (each such amendment referred to as a "Revision" in this Agreement). Any Revision shall be subject to the approval of the LAHD General Manager or designee. The LAHD General Manager or designee is authorized to approve, and shall not unreasonably withhold approval of, any requested Revision for which the Third Party Lender's approval is not required under the terms of the Third Party Loan documents, or which has been approved by the Third Party Lender, if, within five (5) Business Days after receipt of the request, the City receives such explanation and/or back-up information as was received and relied upon by the Third Party Lender in connection with its approval of the Revision, and if the following conditions are satisfied:

(i) the Revision is limited to a reallocation of budgeted funds among Project Budget line items without any increase in the total Project Budget and the funds in the line item(s) to be reduced remain sufficient for completion of the Project and the requested increase in one or more line item(s) is to be used to pay approved costs, or the Revision involves an increase in the Total Development Costs, not to exceed fifteen percent (15%) of the Total Development Costs, and additional funds in an amount equal to the increase in the total Project Budget will be provided by Developer or a lender, and the requested increase in the Project Budget is to be used to pay approved costs.

(ii) the Revision does not increase the amount of any City loan;

(iii) the Revision does not result in a material change to the design of the Project, other than as approved by the City in writing;

(iv) the Revision does not materially adversely affect the economic feasibility of the Project; and

(v) the Revision does not materially adversely affect the City Rent or any leasehold security.

Upon approval of any Revision, the Project Budget shall be replaced by the approved revised Project Budget and this Agreement shall be deemed amended to reflect such revised Project Budget.

Financing Plan. Not later than twenty (20) Business Days prior to the scheduled Closing Date, Developer shall submit to LAHD a proposed Financing Plan, consisting of the following: (1) a ten-year cash flow projection for operation of the Project; (2) a current Project Budget, updated on the basis of approved permits and entitlements and any design requirements of any Governmental Agency; (3) a “sources and uses” table, identifying the proposed use of each source of funding for the Project during the construction period; (4) if applicable, evidence reasonably satisfactory to the LAHD General Manager or designee that Developer has sufficient additional funds available and committed to cover the difference, if any, between the Total Development Costs and all funds committed to financing the Total Development Costs (as provided in Section 3.2.c., below). LAHD shall approve or disapprove in writing the proposed Financing Plan within ten (10) Business Days of receipt. Failure of LAHD to approve or disapprove the Financing Plan within ten (10) Business Days of receipt shall be deemed a disapproval.

c. Evidence of Financing. The Developer must demonstrate evidence of financing within 24 months of the date of execution of this Agreement. LAHD acknowledges that the Financing Plan is predicated on funding applications to the State, County and other funders for funds that may or may not be awarded through a competitive selection process. Therefore, LAHD agrees that the Developer may apply for competitively awarded funding awards more than once. However, if the Developer fails to apply for or be awarded a source of funding identified in the Financing Plan after two rounds of funding applications, and cannot provide evidence of sufficient financing, LAHD may terminate this development agreement.

The sum of the sources of construction financing described in the Project Budget shall be sufficient at all times to pay all Total Development Costs as set forth in the most recently approved Project Budget. If at any time prior to the issuance of the

Certificate of Completion, the sum of the sources of funds described in the Project Budget is insufficient to pay all Total Development Costs, Developer shall promptly deposit into the construction fund held by the Construction Lender additional Developer's funds at least equal to the shortfall. Not later than twenty (20) Business Days prior to the scheduled Closing Date, Developer shall submit, for approval by the LAHD General Manager or designee, evidence of such financing (as part of the Financing Plan), including substantially complete drafts of Construction Loan documents (as required by Section 4.4(1)(a) of this Agreement). The LAHD General Manager or designee shall not unreasonably withhold his or her approval.

3.3 Site Control Fees.

Prior to the execution of this Agreement by the City and the Developer, the Developer shall have submitted to the City a refundable site control fee in the sum of Fifty Thousand Dollars (\$50,000) (the "Site Fee" or "Project Commitment Deposit") to ensure that the Developer will proceed diligently and in good faith to develop the Site as required by this Agreement.

INITIALED BY DEVELOPER: RD SL

INITIALED BY LAHD: _____

3.4 Ground Lease.

Prior to the date set forth in the Schedule of Performance, the parties shall have agreed upon the form of the Ground Lease.

Provided the conditions precedent in Section 3.1 of this Agreement have been satisfied, upon the terms, covenants and conditions set forth in this Agreement, the City agrees to lease and convey the leasehold interest in the Site to Developer, and Developer agrees to lease and accept the leasehold interest in the Site from the City and to pay City Rent, in accordance with this Agreement and the Ground Lease. Until the issuance of the Certificate of Completion, the City's conveyance of leasehold shall be subject to a power of termination (as described in Section 10.9 of this Agreement), to ensure the completion of the redevelopment of the Site for the purpose of providing affordable housing as provided in this Agreement.

As a condition to the Close of Escrow, the parties shall have executed and delivered into escrow for delivery upon Close of Escrow, such agreed form of Ground Lease and a memorandum thereof for recordation upon Close of Escrow.

3.5 City Rent.

The applicable City Rent shall be paid by Developer to the City on the Closing Date through the Escrow Agent, together with such additional amounts as is necessary to cover Developer's share of costs and expenses hereunder.

3.6 Condition of the Site.

a. Due Diligence. The City makes no representations regarding the condition of the Site. The Parties hereby acknowledge that prior to the execution of this Agreement, Developer used the opportunity provided by the City to conduct any studies and investigations that Developer deemed necessary to assure itself of the physical condition of the Site and the suitability of the Site for the development contemplated by this Agreement. Developer shall have the right, without cost or expense to the City, to engage its own environmental consultant and any other consultants to conduct such additional studies and investigations of the Site as it deems necessary, including any Phase I and/or Phase II environmental investigations, soils, geotechnical or other testing of the Site, subject to the execution of a "Right of Entry" agreement in LAHD's customary form. The City shall disclose to Developer any actual knowledge of Hazardous Materials or other physical defects on the Site which occur at any time prior to the Close of Escrow.

b. "As Is" Conveyance.

(i) DEVELOPER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE CITY IS CONVEYING THE SITE TO DEVELOPER AND DEVELOPER IS ACCEPTING FROM THE CITY THE SITE ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT DEVELOPER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS (EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT) OR IMPLIED, FROM THE CITY AS TO ANY MATTERS CONCERNING THE SITE, INCLUDING WITHOUT LIMITATION: (A) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF THE SITE (INCLUDING, WITHOUT LIMITATION, TOPOGRAPHY, CLIMATE, AIR, WATER RIGHTS, WATER, GAS, ELECTRICITY, UTILITY SERVICES, GRADING, DRAINAGE, SEWERS, ACCESS TO PUBLIC ROADS AND RELATED CONDITIONS); (B) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF SOILS, GEOLOGY AND GROUNDWATER, (C) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE SITE, (D) THE DEVELOPMENT POTENTIAL OF THE SITE, AND THE SITE'S USE, HABITABILITY, MERCHANTABILITY, OR FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE SITE FOR ANY PARTICULAR PURPOSE, (E) THE ZONING OR OTHER LEGAL STATUS OF THE SITE OR ANY OTHER PRIVATE OR GOVERNMENTAL RESTRICTIONS ON THE USE OF THE SITE, (F) THE COMPLIANCE OF THE SITE OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY, AND (G) THE PRESENCE OR ABSENCE OF HAZARDOUS

MATERIALS ON, UNDER OR ABOUT THE SITE OR EMANATING FROM THE ADJOINING OR NEIGHBORING PROPERTY. DEVELOPER AFFIRMS THAT DEVELOPER HAS NOT RELIED ON THE SKILL OR JUDGMENT OF THE CITY OR ANY OF THEIR RESPECTIVE AGENTS, EMPLOYEES, CONSULTANTS OR CONTRACTORS TO SELECT OR FURNISH THE SITE FOR ANY PARTICULAR PURPOSE, AND THAT THE CITY MAKES NO WARRANTY THAT THE SITE IS FIT FOR ANY PARTICULAR PURPOSE. DEVELOPER ACKNOWLEDGES THAT DEVELOPER SHALL USE ITS INDEPENDENT JUDGMENT AND MAKE ITS OWN DETERMINATION AS TO THE SCOPE AND BREADTH OF ITS DUE DILIGENCE INVESTIGATION WHICH IT SHALL MAKE RELATIVE TO THE SITE AND SHALL RELY UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC AND LEGAL CONDITION OF THE SITE (INCLUDING, WITHOUT LIMITATION, WHETHER THE SITE IS LOCATED IN ANY AREA WHICH IS DESIGNATED AS A SPECIAL FLOOD HAZARD AREA, DAM FAILURE INUNDATION AREA, EARTHQUAKE FAULT ZONE, SEISMIC HAZARD ZONE, HIGH FIRE SEVERITY AREA OR WILDLAND FIRE AREA, BY ANY FEDERAL, STATE OR LOCAL AGENCY). DEVELOPER UNDERTAKES AND ASSUMES ALL RISKS ASSOCIATED WITH ALL MATTERS PERTAINING TO THE SITE'S LOCATION IN ANY AREA DESIGNATED AS A SPECIAL FLOOD HAZARD AREA, DAM FAILURE INUNDATION AREA, EARTHQUAKE FAULT ZONE, SEISMIC HAZARD ZONE, HIGH FIRE SEVERITY AREA OR WILDLAND FIRE AREA, BY ANY FEDERAL, STATE OR LOCAL AGENCY.

(ii) Developer's Release of the City. Developer, on behalf of itself and anyone claiming by, through or under Developer hereby waives its right to recover from and fully and irrevocably releases the City, and its respective council members, board members, employees, officers, directors, representatives, attorneys and agents (the "Released Parties") from any and all claims, responsibility and/or liability that Developer may have or hereafter acquire against any of the Released Parties, excluding breaches by the City of representations, warranties and covenants of the City, for any claims, fines, penalties, fees, costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the following: (i) the condition (including any construction defects, errors, omissions or other conditions, latent or otherwise), valuation, salability or utility of the Site, or its suitability for any purpose whatsoever; and (ii) any information furnished by the Released Parties under or in connection with this Agreement, provided that such release does not apply in the event where the liability resulted from gross negligence, fraud, or will full misconduct of the Released Parties.

(iii) Scope of Release. The release set forth in Section 3.6(b)(ii) includes claims (other than claims for the presence of Hazardous Materials on, under or about the Site prior to the Close of Escrow) of which Developer is presently unaware or which Developer does not presently suspect to exist which, if known by Developer, would materially affect Developer's release of the Released Parties. Developer specifically waives the provision of any statute or principle of law that provides otherwise. In this connection and to the extent permitted by law, Developer agrees, represents and

warrants that Developer realizes and acknowledges that factual matters now unknown to Developer may have given or may hereafter give rise to causes of action, claims, fines, penalties, fees, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Developer further agrees and represents that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Developer nevertheless hereby intends to release, discharge and acquit the City from any such unknown causes of action, claims, fines, penalties, fees, demands, debts, controversies, damages, costs, losses and expenses. Accordingly, Developer, on behalf of itself and anyone claiming by, through or under Developer, hereby assumes the above-mentioned risks and hereby expressly waives any right Developer and anyone claiming by, through or under Developer, may have under Section 1542 of the California Civil Code, which reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Developer's Initials: RD SL

The provisions of this section shall survive the termination of this Agreement.

3.7 Discovery of Hazardous Materials.

a. In the event that Developer discovers the presence of Hazardous Materials on, under or about the Site prior to the commencement of the construction of the Improvements which Hazardous Materials were not the result of Developer's activities on the Site, Developer shall promptly notify the City of such discovery but in any event within seventy two (72) hours of such discovery. If Developer and the City, based on environmental reports by qualified professional consultants, reasonably estimate that the cost of remediating the Site in accordance with all Governmental Restrictions is One Hundred Thousand Dollars (\$100,000.00) or less, then Developer shall pay for and cause the remediation of the Site with reasonable diligence and in accordance with Governmental Restrictions. Developer and the City shall work cooperatively to expeditiously determine the estimated costs of remediation.

b. If the cost of remediation exceeds One Hundred Thousand Dollars (\$100,000.00), the City and Developer shall negotiate in good faith to identify the means and a method to pay the estimated costs of remediation. In the event the City and

Developer are unable to identify funds to pay the costs of remediation after sixty (60) days of good faith negotiation (or such longer time as the Parties mutually determine), either Party may terminate this Agreement by providing a written notice of termination to the other Party. In such an event, Developer shall convey the Site to the City within five (5) days following the date of the notice of termination.

c. In the event that Developer discovers the presence of Hazardous Materials on, under or about the Site following the commencement or completion of the construction of Improvements and the presence of such Hazardous Materials are not caused by the City, Developer shall be responsible for the payment of all costs of remediation in accordance with Governmental Restrictions. Developer hereby waives its right to recover from and fully and irrevocably releases the City, and its respective council members, board members, employees, officers, directors, representatives, attorneys, and agents from any and all claims, responsibility and/or liability that Developer may have or hereafter acquire from the discovery of Hazardous Materials on, under or about the Site following the completion of the construction of the Improvements as evidenced by the issuance by the City of a temporary Certificate of Occupancy or Certificate of Occupancy, whichever is earlier.

d. The release set forth in this Section 3.7 includes claims (other than claims for the presence of Hazardous Materials on, under or about the Site prior to the Close of Escrow) of which Developer is presently unaware or which Developer does not presently suspect to exist which, if known by Developer, would materially affect Developer's release of the Released Parties. Developer specifically waives the provision of any statute or principle of law that provides otherwise. In this connection and to the extent permitted by law, Developer agrees, represents and warrants that Developer realizes and acknowledges that factual matters now unknown to Developer may have given or may hereafter give rise to causes of action, claims, fines, penalties, fees, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Developer further agrees and represents that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Developer nevertheless hereby intends to release, discharge and acquit the City from any such unknown causes of action, claims, fines, penalties, fees, demands, debts, controversies, damages, costs, losses and expenses. Accordingly, Developer, on behalf of itself and anyone claiming by, through or under the Developer, hereby assumes the above-mentioned risks and hereby expressly waives any right Developer and anyone claiming by, through or under Developer, may have under Section 1542 of the California Civil Code, which reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE

MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Developer's Initials: RD SL

e. Developer Precautions After Closing of Escrow.

Upon the Close of Escrow, Developer shall use commercially reasonable efforts to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Site. Such precautions shall include compliance with all governmental requirements with respect to Hazardous Materials.

f. City and Developer agree as follows with respect to the existence or use of Hazardous Material (as defined in this Agreement and Ground Lease) on the Site:

(i) Prohibition. Developer shall not cause or permit any Hazardous Material, other than normal and customary cleaning and janitorial supplies, to be brought upon, kept or used in or about the Site by Developer, its agents, employees, contractors, customers or invitees, without the prior written consent of City. If Developer breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Site caused or permitted by Developer results in contamination of the Site, or if contamination of the Site by Hazardous Material otherwise occurs for which Developer is legally liable to City of damage resulting therefrom, then, Developer shall indemnify, hold City harmless, and defend City (with counsel reasonably acceptable to City) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Site, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Site, damages arising from any adverse impact on marketing of the Site, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification of City by Developer includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under Site. Without limiting the foregoing, if the presence of any Hazardous Material on the Site caused or permitted by Developer results in any contamination of the Site, Developer shall promptly take all actions at Developer's sole expense as are necessary to return the Site to the condition existing prior to the introduction of any Hazardous Material to the Site; provided that City's approval of such actions shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Site.

(ii) Assignment. It is understood that under no circumstances shall City consent to any proposed assignment or sublease if (1) the assignee or sub-lessee's anticipated use of the Site involves the generation, storage, use, treatment or disposal of Hazardous Material, other than normal and customary cleaning and janitorial supplies; (2) the proposed assignee or sub-lessee has been required by any prior landlord, lender or governmental authority to take remedial action in connection with Hazardous Material contaminating a property if the contamination resulted from such assignee or sub-lessee's actions or use of the property in question; or (3) the proposed assignee or sub-lessee is subject to an enforcement order issued by any governmental authority in connection with the use, disposal or storage of a Hazardous Material.

(iii) Hazardous Materials Notices. California Health and Safety Code section 25349.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property, prior to the lease or rental of that real property or when the presence of such release is actually known, to give written notice of that condition to the lessee or renter. California Health and Safety Code section 25359.7(b) requires any Developer of real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. Developer and City shall comply with the requirements of section 25359.7 and any successor statute thereto and with all other statutes, laws, ordinances, rules, regulations and orders of governmental authorities with respect to hazardous substances.

3.8 Escrow.

a. Opening of Escrow.

Developer and the City shall open Escrow with the Escrow Agent not later than ninety (90) Business Days prior to the scheduled Closing Date. The delivery to Escrow Agent of a duplicate original of this Agreement shall constitute the "Opening of Escrow" and the date of the Opening of Escrow shall constitute the "Opening Date." The Escrow Agent shall accomplish the recordation of the Memorandum of Ground Lease and the documents to be recorded pursuant to this Agreement as more particularly set forth herein. This Agreement constitutes the joint basic escrow instructions of the City and Developer with respect to the lease and conveyance of the Site by the City to Developer. The City and Developer shall provide such additional escrow instructions as are customary, consistent with this Agreement and necessary for the accomplishment of its purpose. Escrow Agent is hereby empowered to act under this Agreement, and Escrow Agent, upon indicating within five (5) Business Days after the Opening of Escrow its acceptance of the provisions of this Section 3.8 in writing delivered to the City and Developer, shall carry out its duties as Escrow Agent hereunder. In the case of any

inconsistency between the Additional Escrow Instructions and this Agreement, the terms of this Agreement shall govern.

b. Closing Costs to be paid by Developer.

Together with Developer's deposit of the City Rent and any other deposits provided by this Agreement, Developer shall pay to the Title Company all fees, charges and costs of the Escrow promptly after the Title Company has notified Developer of the amount of such fees, charges and costs, prior to the Closing Date. Such fees, charges and costs shall include, but are not limited to, as follows:

- (i) The escrow fee; and
- (ii) Recording fees, if any, for the Memorandum of Ground Lease, the Regulatory Agreement, the Notice of Restrictions and/or any other instrument to be recorded against title to the Site by or for the benefit of Developer; and
- (iii) Title policy of title insurance naming the City as the insured with liability not less than the fair market value of the Site, issued by an insurer satisfactory to the City, excepting only such defects, liens, encumbrances, and exceptions as are approved by the City, and containing such endorsements as the City may reasonably require.

c. Closing Costs to be paid by Other Parties.

Any other costs, expenses or fees of the Escrow not otherwise provided for in this Agreement shall be paid by the party who customarily pays for such costs in Los Angeles County.

d. Duty of Escrow Agent.

The Escrow Agent is authorized to:

- (i) Pay and charge Developer, the City or other parties, as applicable, for its respective fees, charges and costs payable under this Section 3.8. Before such payments or charges are made, Escrow Agent shall notify the City and Developer of the fees, charges and costs necessary to close the Escrow;
- (ii) Deliver the Ground Lease, Memorandum of Ground Lease, the Regulatory Agreement and other documents, including any applicable promissory notes and deeds of trust, to the parties entitled thereto when the conditions of this Escrow have been fulfilled by the City and Developer;

(iv) Record any instruments delivered through this Escrow, if necessary or proper, to lease the Site, or the applicable portion thereof, to Developer in accordance with the terms and provisions of this Agreement.

If this Escrow is not in condition to close on or before the "Closing Date" (as defined in Section 3.9 of this Agreement), either Party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, demand from Escrow Agent and the Title Company, if appropriate, the return of its money, papers or documents deposited with Escrow Agent and the Title Company. No demand for return shall be recognized until ten (10) calendar days after Escrow Agent shall have mailed copies of such demand to the other Party at the address of its or their principal place of business and such other Party shall have failed to have taken the action required by that Party to effectuate the Close of Escrow within such ten (10) calendar day period. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other Party within the ten (10) calendar day period described above, in which event Escrow Agent and the Title Company are authorized to hold all money, papers and documents with respect to the Site, or the affected portion thereof, until instructed by mutual agreement of the Parties or by a court of competent jurisdiction. If no such demands are made, the Escrow shall be closed as soon as possible.

Neither Escrow Agent nor the Title Company shall be obligated to return any such money, papers or documents, except upon the written instructions of the City and Developer or until the Party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

Any amendment to these Escrow instructions shall be in writing and signed by both the City and Developer. At the time of any amendment, Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

All communications from Escrow Agent to the City or Developer shall be directed to the addresses and in the manner established in Section 12.2 of this Agreement for notices, demands and communications between the City and Developer.

e. Title Review. Within the time provided in the applicable Schedule of Performance, Developer shall cause the Escrow Holder to deliver to the Developer and the City the Title Report(s) with respect to the title of the Site, together with legible copies of the documents underlying the exceptions (the "Exceptions") set forth in the Title Report(s). Within the time specified in the applicable Schedule of Performance, Developer shall have approved or disapproved the Exceptions. If Developer disapproves the Exceptions, then Developer may terminate this Agreement (Section 10.8, no fault termination provision) or Developer may provide written disapproval of such Exceptions to the City, and the City shall have until the date selected for each Close of Escrow to cure or remove each disapproved Exception. In the event

the City is unable to cure to Developer's reasonable satisfaction, or remove, the disapproved Exceptions prior to Close of Escrow, Developer shall have the right to terminate this Agreement pursuant to Section 10.8 (no fault termination provision). Developer's failure to disapprove title to the Site within ninety (90) days prior to the Close of Escrow shall be deemed approval of such condition of title. In the event any new Exceptions appear on a Title Report after delivery of the initial Title Report and prior to the Close of Escrow, and (a) Developer disapproves of such Exception and (b) the City is unable to remove or cure such Exception to Developer's reasonable satisfaction prior to the Close of Escrow, then Developer shall have the right to terminate this Agreement pursuant to Section 10.8 (no fault termination provisions.) Upon Developer's approval of the state of title to the Site, Developer shall have no right to terminate this Agreement on account of the condition to title to the Site, except as provided herein.

3.9 Close of Escrow.

a. Subject to any extensions of time mutually agreed upon in writing between the City and Developer, the conveyance of leasehold interest to Developer pursuant to the Ground Lease shall be completed upon the occurrence of all of the following (the "Closing Date") (i) not sooner than the satisfaction of all Conditions Precedent to the Close of Escrow set forth in Section 3.1 of this Agreement; and (ii) not later than the date specified for the scheduled Closing Date in the Schedule of Performance.

b. The LAHD General Manager or his/her designee, is authorized to approve one or more reasonable extensions to the Closing Date, from time to time (each such extension not to exceed twenty (20) Business Days), so long as: (i) such extension is in writing, executed by the LAHD General Manager or designee; (ii) the LAHD General Manager or designee determines in writing, on the basis of reasonable documentation provided by Developer, that Developer is diligently attempting to satisfy or cause the satisfaction of any outstanding Condition Precedent; and (iii) the extension does not exceed six (6) months from the Closing Date set forth in the Schedule of Performance. Notwithstanding anything to the contrary, Close of Escrow shall not occur without a reasonable expectation that construction of the Improvements will commence within one hundred eighty (180) Business Days after the Close of Escrow.

3.10 Recordation of Documents.

Unless instructed otherwise in writing by the City and Developer, Escrow Agent shall record or cause to be recorded in the Office of the County Recorder of Los Angeles County, California, in the following order, the following instruments: (a) the Memorandum of Ground Lease; (b) the Regulatory Agreement; (c) the Notice of Affordability Restrictions; (d) Security Financing Interests, if any, to be recorded in connection with the ground lease; and (e) Security Financing Interests to be recorded in connection with any Third Party Loan and any other Residual Receipts Loan.

ARTICLE 4. METHOD OF FINANCING

4.1 Total Development Costs.

The parties estimate that the Total Development Costs will be as set forth in the Project Budget, to be financed as set forth in Developer's Financing Plan for the Project.

4.2 Construction Period Financing.

The Parties anticipate that construction period financing (after Close of Escrow) will be provided from a combination of loans and equity, including but not limited to the following:

a. Construction Loan. One or more construction or construction/permanent loans (each, a "Construction Loan" and collectively, the "Construction Loans") derived from the issuance of Tax-Exempt Mortgage Revenue Bonds and disbursed by a bank or other lender approved in advance by LAHD General Manager or designee ("Construction Lender") in the approximate original principal amount set forth in the "Construction" sources column in the Project Budget. It is anticipated that disbursements of the Construction Loan shall be subject to a process for the City review of Construction Lender disbursements, to be negotiated and provided in an Intercreditor Agreement, if any, to which the City and the Construction Lender will be parties. It is anticipated that the Construction Loan will be disbursed to pay Development Costs and reduced to the amount set forth in the "Permanent" sources column in the Project Budget, after the conversion of the Construction Loan in accordance with its terms.

b. Developer Equity. Equity from the Developer (the "Developer Equity"), consisting of the following:

(i) Funds in an amount set forth in the Project Budget , to be provided by the Tax Credit Equity Investor, derived from Low Income Housing Tax Credits, Historic Tax Credits and other applicable tax credits ("Investor Member/Partner Capital Contribution"), which shall be disbursed in one or more installments as provided in Developer's Amended and Restated Partnership Agreement; and

(ii) A deferred portion of the Developer Fee, in the amount set forth in the Project Budget (the "Deferred Developer Fee"), constituting that portion of the Developer Fee to be paid to Developer from Revenue, before calculating Residual Receipts.

(iii) Developer Equity Contribution made directly to the project by the Developer that is not part of the deferred developer fee or a tax credit investor equity contribution. The Developer Equity Contribution can only be repaid through the Developer's share of residual receipts; the Developer Equity Contribution will not be secured by a promissory note; and the Developer Equity Contribution can only be repaid upon sale/transfer of the Project.

Developer shall be responsible for providing or securing any additional funds which may be needed to pay for cost overruns and contingencies not otherwise funded by the sources of Construction Financing described above.

Developer Equity described in this paragraph b. shall consist of funds provided by Developer, or borrowed funds, as long as repayment is not secured by any deed of trust on the Site.

4.3 Permanent Sources of Financing.

The Parties anticipate that permanent financing will be provided from a combination of loans and equity, including but not limited to the following:

a. One or more permanent loans or construction loans that convert to permanent loans (each a "Permanent Loan" and collectively the "Permanent Loans") in the original principal amount as set forth in the Project Budget, secured by one or more Third Party Lender deeds of trust (the beneficiaries of which shall include the Permanent Lender, any credit enhancer or permanent financing guaranty facility, referred to herein collectively as the "Third Party Permanent Lenders", and, together with the Third Party Construction Lenders, described above, referred to as the "Third Party Lenders").

b. Developer Equity, as described in subsection 4.2(b), above.

c. Developer Deferred Developer Fee.

d. Other funding sources such as Measure HHH, Multifamily Housing Program (MHP), Mental Health Services Act (MHSA), Affordable Housing Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), and Project Based Vouchers (PBV).

ARTICLE 5. SCOPE OF DEVELOPMENT/DESIGN REQUIREMENTS.

5.1 Design in Conformance with Scope of Development, Residential Citywide Design Guidelines and Approved Project Documents.

a. In designing and constructing the Project, the Developer shall cause all Project Documents to be consistent with the Scope of Development and City's Multifamily Housing Design Guidelines, and requirements of the HHH Loan Agreement for the Project, if any, unless otherwise approved by the City. The Scope of Development shall establish the baseline design standards from which the Developer shall prepare all subsequent Project Documents.

b. As required by the Scope of Development, the Developer shall follow the Environmentally Responsive Design guidelines and Sustainable Building Methods section established in LAHD Architectural Design Guidelines of (March 19, 2007) and consistent with TCAC Regulation's Minimum Constructions Standards requirements adopted on May 17, 2017, as well as the latest California Energy Commission requirements which are reflected in the Building Codes (in particular Volume 3, Green Building Code) and with which all projects must comply according to their project type.

5.2 City Review.

The City shall not be responsible for any aspects of Developer's conduct in connection with the Project, including, but not limited to, the quality and suitability of the Project Documents, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the City with reference to the Project is solely for the purpose of determining whether the Developer is properly discharging its obligations to the City, and shall not be relied upon by the Developer or by any third parties as a warranty or representation by the City as to the quality of the design or construction of the Project.

ARTICLE 6. CONSTRUCTION OF THE IMPROVEMENTS.

Except for Section 6.6 (Relocation), if applicable, the provisions of this Article 6 are intended to apply only after the Close of Escrow, if at all.

6.1 Commencement of Construction.

The Developer shall commence construction of the Improvements within the time set forth in the Schedule of Performance.

6.2 Completion of Construction.

The Developer shall prosecute to completion, with diligence that is reasonable under all the circumstances, the construction of the Improvements, and shall complete or cause to be completed the construction of the Improvements within the time set forth in the Schedule of Performance. As between the City and the Developer, the Developer shall be solely responsible for the construction of the Improvements.

6.3 Construction Pursuant to Scope and Plans.

a. The Developer shall construct the Improvements in accordance with the Scope of Development, the approved Final Construction Drawings, and the terms and conditions of all City approvals and any other governmental approvals.

b. Any proposed material variation from the previously approved Final Construction Drawings shall be submitted to the LAHD General Manager or designee for written approval. LAHD shall approve or disapprove a proposed material variation within fifteen (15) Business Days after receipt by LAHD. If LAHD rejects the proposed material change, then LAHD shall provide the Developer with the specific reasons therefor, and the approved Final Construction Drawings shall continue to control. For purposes of this Section 6.3, a material variation from the previously approved Final Construction Drawings shall consist of any of the following: (1) any change in building materials or equipment, specifications, or the architectural, functional or structural design of the Improvements that is of lesser quality, durability or appearance or which does a poorer job of meeting the City's urban planning and design objectives as set forth in the Scope of Development; (2) any change (increase or decrease) that cumulatively exceeds ten percent (10%) of the budgeted cost of any one line item at any time; or (3) any set of changes (increase or decrease) that cumulatively exceeds ten percent (10%) of the hard cost budget.

c. Developer shall comply with all orders to comply with building codes and other governmental health and safety regulations. Any change from Approved Final Construction Drawings which is required for compliance with building codes or other government health and safety regulations shall not be deemed a material change for purposes of Section 5.5 and this Section 6.3. However, the Developer shall submit to LAHD any proposed change that is required for such compliance as soon as possible, but in any event prior to the commencement of any such work, and such change shall become a part of the approved Final Construction Drawings, binding on the Developer. Any increase in Total Development Costs resulting from any such change shall be the obligation of Developer. The City shall have the right in its sole discretion, but not the obligation, to impose conditions on Developer's performance of any such changes that are reasonable in light of all the circumstances.

d. Throughout the construction of the Improvements, the City shall have the right in its discretion, but not the obligation, to inspect the Site as provided in Section 6.10 of this Agreement, and, to the extent permitted by any Inter-creditor Agreement, to review and provide comments to other lenders regarding the disbursement of construction sources of financing.

6.4 Certificate of Completion.

a. Within ten (10) Business Days after written request by Developer following Completion of construction in accordance with the Scope of Development and Final Construction Drawings (as the same may have been revised with the written approval of the LAHD General Manager or designee pursuant to Section 6.3 of this Agreement), and (if applicable) upon Developer's obtaining a certificate of occupancy or temporary certificate of occupancy from the City, the City shall deliver to Developer a Certificate of Completion.

b. The City shall not unreasonably withhold a Certificate of Completion but shall not be obligated to issue such Certificate until construction of the Improvements has been completed in accordance with all the terms of this Agreement. Such Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory Completion of the Improvements meeting the requirements of Article 5 and Sections 6.1 through 6.3, inclusive, of this Agreement. In the event any requirements of this Agreement relating to the construction of the Improvements, including, but not limited to any requirements of this Article 6, have not been fully satisfied by Developer as of the date of Developer's request for a Certificate of Completion, the LAHD General Manager or designee may deny Developer's request for a Certificate of Completion or issue the Certificate of Completion subject to such conditions subsequent as the LAHD General Manager or designee may deem necessary to ensure full satisfaction with all the requirements of this Agreement.

c. The Certificate of Completion shall be in such form as to permit it to be recorded in the Office of the Recorder of Los Angeles County. If the City fails to deliver the Certificate of Completion within ten (10) Business Days after written request from Developer, LAHD shall provide Developer with a written statement of its reasons (the "Statement of Reasons") within that ten (10)-Business Day period. The statement shall also set forth the actions Developer must take to be entitled to obtain the Certificate of Completion. If the reasons are confined to the immediate unavailability of specific items or materials for landscaping, or to so-called "punch list" items identified by LAHD, LAHD shall issue the Certificate of Completion upon the delivery of a bond or letter of credit by Developer with the City in an amount representing the City's estimate of the cost to complete the work, or other security deemed sufficient by LAHD's General Manager or designee to ensure completion of the work. Notwithstanding any other provision of this Agreement, the failure by the City to issue a Certificate of Completion within any period of time after request by Developer shall not be deemed to constitute the City's concurrence that construction of the Improvements has been completed as required by this Agreement.

d. Such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any Senior Lender, or any insurer of a mortgage securing money loaned to finance the Improvements, or any other person or entity. Such Certificate of Completion is not notice of completion as referred to in Section 3093 of the California Civil Code. Such Certificate of Completion

shall not be deemed to constitute completion or satisfaction of any obligations of the Developer under the City Development Documents, except those set forth in Article 5 and Sections 6.1 through 6.3 of this Agreement.

e. As a condition of issuance of the Certificate of Completion, Developer's Certified Access Specialist ("CASP") shall certify that the Project has been constructed in compliance with all applicable disabled access requirements as of the date of the Project's completion (when the last certificate of occupancy is issued by the City).

6.5 Compliance with Applicable Law and City Policies.

The Developer shall cause all work related to construction of the Improvements to be performed in compliance with: (a) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, (including, without limitation, the prevailing wage provisions of Sections 1770 et seq. of the California Labor Code); (b) all applicable directives, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction; (c) all applicable disabled access requirements; and (d) all applicable City policies that are effective as of the Effective Date of this Agreement, provided the Parties may make later-adopted City policies applicable to the Project by their mutual approval of an amendment to this Agreement specifically incorporating such policies. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and the Developer shall be responsible for the procurement and maintenance of such documents required of Developer and of all entities engaged in Project work at the Site.

6.6 Relocation.

a. If and to the extent disposition of the leasehold interest in the Site or any aspect of development or operation of the Project results in the permanent or temporary displacement of any occupants of the Site, the following shall apply: (1) Developer shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance and payment of monetary benefits (collectively referred to as the "Relocation Laws"); and (2) Developer shall be solely responsible for payment of any relocation benefits (if any) to any displaced persons and any other obligations (if any) associated with complying with the Relocation Laws, including, but not limited to, moving assistance, rent vouchers and the cost of a relocation consultant selected by the City. If the Developer is determined by a court of competent jurisdiction or any government agency to be in violation of any Relocation Laws as described in this section, the City may, in its sole discretion, declare Developer to be a "non-responsible Contractor" pursuant to the City's Policy on Contractor Responsibility (Exhibit 1 of Part II of Exhibits), and ineligible to apply for any future City contracts or financial assistance. Developer also hereby agrees to indemnify, defend and hold the City

harmless from any and against any and all claims and liabilities arising directly or indirectly as a result of or in connection with the breach of Developer's obligations set forth in this Section 6.6. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent and lease related debts pursuant to this Agreement, Ground Lease, and City Development Documents, reconveyance of the City Leasehold Deed of Trust, if any, Regulatory Agreement, and Notice of Affordability Restrictions and the termination of this Agreement.

b. If applicable, Developer shall submit the Relocation Plan to the City for review and approval, and Developer hereby acknowledges that City has approved a Relocation Plan for the Site (the "Relocation Plan"). Developer agrees to perform all of the obligations to be performed by Developer and comply with the terms and conditions of the Relocation Plan.

6.7 Construction Signs.

Prior to the commencement of construction, the Developer shall prepare and post on the Site construction signs in accordance with the City's sign standards. The construction signs shall identify the Project as one that is being assisted by the City and shall recognize, at a minimum, the Mayor of the City of Los Angeles, the City Council Member for the Council District in which the Project is located, and the LAHD General Manager. The construction signs shall be erected on the Site such that they are reasonably visible to the public throughout the construction period.

6.8 Publicity.

Any publicity generated by Developer for the Project shall make reference to the contribution of LAHD in making the Project possible. The words "Los Angeles Housing Department of the City of Los Angeles (LAHD)" shall be prominently displayed in any and all pieces of publicity, including but not limited to flyers, press releases, posters, signs, brochures, public service announcements, interviews and newspaper articles. Developer further agrees to cooperate with authorized staff and officials of LAHD in any LAHD-generated publicity or promotional activities undertaken for the Project.

6.9 Progress Reports.

Until a Certificate of Completion has been issued by the City, the Developer shall:

- (a) provide LAHD with periodic progress reports on the Project's construction status; and
- (b) attend status conferences relating to construction and/or compliance with City policies and City ordinances and the conditions of this Agreement. Such conferences shall occur as reasonably requested by the City, but not more often than monthly.

6.10 Entry onto the Site by the City.

Until a Certificate of Completion has been issued by the City, the Developer shall permit the City Representatives to enter the Site at all reasonable times and upon reasonable notice to: (a) inspect the construction work and determine if it conforms with the Scope of Development, the approved Final Construction Drawings and the Project Budget; or (b) inspect the Site for compliance with this Agreement. Except in the event of inspections regarding safety or compliance with City policies and City ordinances, reasonable notice shall mean at least 48 hours written notice. The City shall be under no obligation to (aa) supervise construction, (bb) inspect the Site or (cc) inform the Developer of information obtained by the City during any inspection. The Developer shall not rely upon the City for any supervision or inspection. The rights granted to the City pursuant to this section are in addition to any rights of entry and inspection the City may have in exercising its municipal regulatory authority.

6.11 Mechanics' Liens.

Developer shall promptly pay when due all amounts payable for labor and materials furnished in the performance of the Project so as to prevent any lien or other claim under any provision of law from arising against the City or the Site (including reports, documents, and other tangible or intangible matter produced by Developer related to the Project), against Developer's rights to payments hereunder, or against the City, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

The Developer shall indemnify the City and hold the City harmless against and defend the City in any proceeding related to any mechanic's lien, stop notice or other claim brought by a subcontractor, laborer or material supplier who alleges having supplied labor or materials in the course of the construction of the Project by the Developer. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of City Rent, termination of Regulatory Agreement, withdrawal of Notice of Affordability Restrictions and the termination of this Agreement.

6.12 Non-Discrimination During Construction: Equal Opportunity.

The Developer, for itself, its successors and assigns, and transferees agrees that in the construction of the Project provided for in this Agreement:

a. The Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, disability, actual and perceived, medical condition, age, marital status, transgender status, sex, sexual orientation, Acquired Immune Deficiency Syndrome (AIDS), actual or perceived, or retaliation for having filed a discrimination complaint or any additional basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, as such provisions

may be amended from time to time (collectively, the "Nondiscrimination Factors"). The Developer shall take affirmative steps to ensure that applicants are employed by the Developer, and that its employees are treated without regard to the Nondiscrimination Factors during employment including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein.

b. The Developer shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, the Developer shall not discriminate in its employment practices, including compensation, against any employee, or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, familial status, acquired immune deficiency syndrome (AIDS), acquired or perceived citizenship, political affiliation or belief. The Developer shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, 11478, 12086, and 12107 and as supplemented in the Department of Labor regulations (41 CFR Part 60).

c. Unless otherwise exempt, this Agreement is subject to the non-discrimination provisions in Section 10.8 through 10.8.2 of the Los Angeles Administrative Code as amended from time to time. The Developer shall and shall cause all contractors and subcontractors to comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, Developer, its contractors and/or subcontractors shall not discriminate in its employment practices, including compensation, against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, domestic partner status, marital status, pregnancy, childbirth and related medical conditions, citizenship and political affiliation or belief. The Developer shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by City. Any contract or subcontract entered into by Developer to the extent allowed hereunder, shall include a like provision for work to be performed under this Agreement.

Failure of the Developer to comply with this requirement or to obtain the compliance of its contractors or subcontractors with such obligations shall subject the

Developer to the imposition of any and all sanctions allowed by law, including but not limited to termination of the Developer's contract with the City.

d. The Developer shall ensure that its solicitations or advertisements for employment are in compliance with the aforementioned Nondiscrimination Factors; and

e. The Developer shall insert the foregoing provisions in all contracts for the construction of the Project entered into by the Developer after the Effective Date of this Agreement and ensure that its General Contractor shall insert the foregoing provisions in the General Contractor's subcontracts; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

f. For purposes of this Section 6.12, the term "Developer" shall mean and include the Developer and the Developer's General Contractor and subcontractors of any tier engaged by Developer in the construction of the Project.

6.13 Affirmative Outreach in Contracting Procedures and Employment, Including Utilization of Project Area, Minority, Women and Other Businesses and Persons.

a. Use of Disadvantaged and Local Businesses. The parties hereby acknowledge that California Health and Safety Code Section 33422.1 provides: "To the greatest extent feasible, contracts for work to be performed in connection with any redevelopment project shall be awarded to business concerns which are located in, or owned in the substantial part by persons residing in, the project area." Therefore, in consideration of the assistance provided to the Project by the City, Developer hereby agrees:

(i) To the greatest extent feasible, Developer shall seek out and award and require the award of contracts and subcontracts for development of the Site to contracting firms which are located or owned in substantial part by persons residing in the Redevelopment Project Area, and to promote outreach to minority-owned, women-owned and other businesses. This requirement applies to both the construction and operation of the Improvements.

(ii) This paragraph shall require significant efforts of the Developer and its contractors but shall not require the hiring of any person unless such person has the experience and ability, and, where necessary, the appropriate trade union affiliation, to qualify such person for the job.

b. Employment of Project Area Residents. The Parties hereby acknowledge that California Health and Safety Code Section 33422.3 provides: "To insure training and employment opportunities for lower-income project area residents, the agency may specify in the call for bids for any contract over one hundred thousand dollars (\$100,000) for work to be performed in connection with any redevelopment project that project area residents, if available, shall be employed for a specified percentage of each craft or type of workmen needed to execute the contract or work." Therefore, in consideration of the assistance provided to the Project by the City, Developer agrees as follows:

(i) Developer shall in all general contracts for the construction of the Improvements (and its contractors shall in all subcontracts thereunder), require that to the greatest extent feasible, the labor force in all categories be comprised of residents of the Redevelopment Project Area; and

(ii) Developer and its contractors shall be subject to and shall comply with the terms of the Standard City Contracting Requirements, with all amendments thereto. Developer hereby agrees to the terms of these requirements and shall ensure that its General Contractor agrees to these terms.

c. Community Outreach Plan. Developer acknowledges that it is the policy of the City to promote the economic advancement of minorities and women as well as other economically disadvantaged persons through employment and the award of contracts and subcontracts in redevelopment project areas, and to provide Minority-owned Business Enterprises ("MBE"), Women-owned Business Enterprises ("WBE") and all other business enterprises ("OBE") with an equal opportunity to compete for and participate in the performance of City-assisted contracts. To carry out such policy, Developer agrees to comply with this Section 6.13.c. as follows:

(i) Submission of Plan: By the date set forth in the Schedule of Performance, the Developer and Developer's development team (including at a minimum, the General Contractor and Project Architect) shall meet with the City's Office of Audits and Compliance to hold a preconstruction meeting, to establish Project procedures, determine progress towards preliminary construction requirements, review City and other governmental policies and requirements and delineate the roles and responsibilities of Project participants. During the preconstruction meeting, the Developer shall be provided with the policies and procedures of the City regarding prevailing wage requirements and MBE, WBE and OBE outreach efforts, including the development of a community outreach plan (containing the items described in paragraph c.(2), below). At the preconstruction meeting, LAHD shall provide to the Developer samples of community outreach plans which have been approved by the City. Prior to commencing construction,

the Developer shall submit to the LAHD General Manager or his/her designee, for approval or disapproval, a community outreach plan for the Project (the "Community Outreach Plan"), as part of the Community Benefits Plan for the Project. The Community Outreach Plan shall set forth the methods the Developer shall use to comply with this Section 6.13. Upon receipt of the Community Outreach Plan, the City shall, within twenty (20) Business Days, approve or disapprove the Community Outreach Plan, or provide to the Developer a statement of actions required to be taken in order for the Community Outreach Plan to be approved. If the City fails to respond within such twenty (20) Business Day period, the Community Outreach Plan shall be deemed disapproved by the City. The Developer shall not commence construction unless the Community Outreach Plan has been approved by the City.

(i) Contents of the Community Outreach Plan: The Community Outreach Plan shall include, at a minimum:

(1) Estimated total dollar amount (by trade) of all contracts and subcontracts to be let by the Developer or its General Contractor for the Improvements;

(2) List of all proposed contractors to be awarded a contract by the Developer or the General Contractor;

(3) Estimated dollar value of all proposed contracts;

(4) Evidence of Minority and Women Business Enterprise ("M/WBE") Certification of all firms listed as an MBE or WBE in the Community Outreach Plan. Firms purporting to be M/WBE do not require M/WBE Certification if their contract amount is less than Twenty Five Thousand Dollars (\$25,000). Any firm for which the contract amount exceeds Twenty Five Thousand Dollars (\$25,000) and which is not certified by the City of Los Angeles may not be considered an MBE or WBE for purposes of this Agreement;

(5) Developer agrees and shall cause any contractors and subcontractors for the Project to agree and obligate itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. Developer certifies and shall cause any contractors and subcontractors to certify that it has complied with Mayoral Directive 2001-26 regarding contracts greater than \$100,000 (One Hundred Thousand Dollars), if applicable. Developer shall not change any of these designated contractors or subcontractors, nor shall Developer reduce their level of effort, without prior written approval of the City.

(6) Description of the actions to be taken to meet the project area resident and business utilization objectives; and

(7) Such other information and documentation with respect to the foregoing objectives as the City may reasonably deem necessary.

d. General Information. During the construction of the Improvements, the Developer shall provide to the City such information and documentation as reasonably requested by the City to carry out this Section 6.13. The Developer shall monitor and enforce the affirmative outreach and equal opportunity requirements set forth in this Agreement. In the event the Developer fails to monitor or enforce these requirements, the City may declare the Developer in default of this Agreement (subject to the notice and cure rights provided in this Agreement) and thereafter pursue any of the remedies available under this Agreement.

6.14 Cost of Development.

Developer shall bear all costs and expenses incurred in connection with the construction and maintenance of all Improvements, including, without limitation, all costs incurred in connection with the investigation, leasehold interest conveyance and preparation of the Site for development, all off-site improvements, building and Developer fees, and all costs of investigation, leasehold interest conveyance and/or preparation of any Project Documents or other submissions made by Developer pursuant to this Agreement. Developer shall pay when due, and shall cause its General Contractor to pay when due, all valid invoices for materials, equipment, labor and services incurred in connection with the development of the Project.

6.15 Prevailing Wages.

a. The Developer shall pay or cause to be paid to all workers employed in connection with the development of the Improvements, not less than the prevailing rates of wages, as provided in the statutes applicable to City public work contracts, including without limitation Sections 33423-33426 of the California Health and Safety Code and Sections 1770-1781 of the California Labor Code. Copies of the currently applicable per diem prevailing wages are available from the LAHD at 1200 West 7th Street, 8th Floor, Los Angeles California 90017. During the construction of the improvements, Developer shall or shall cause the contractor to post at the Property the applicable prevailing rates of per diem wages. The Developer shall and shall cause the contractors and subcontractors to submit data and documents related to prevailing wage by using the LCP Tracker or comparable LAHD-approved program. The fee for the LCP Tracker, or comparable LAHD-approved program, will be in the amount equal to Three

Hundredth Percent (0.03%) of the total construction cost to be paid in full within 30 days from the execution of this Agreement.

b. If the construction work covered under this Agreement is financed in whole or in part with assistance provided under a program of the U.S. Department of Housing and Urban Development or some other source of federal funding, the Developer shall comply with or cause its General Contractor and all subcontractors to comply with the requirements of the Davis-Bacon Act (40 U.S.C. 276 et. seq.). The Davis-Bacon Act requires the payment of wages to all laborers and mechanics at a rate not less than the minimum wage specified by the Secretary of Labor in periodic wage rate determinations as described in the Federal Labor Standards Provisions (HUD-4010). In the event both State Prevailing wages and Davis-Bacon Act wages shall be required, all works shall be paid at the higher of the two wage rates.

c. Prior to the commencement of construction, and as soon as practicable in accordance with the Schedule of Performance, the Developer shall contact the City to schedule a preconstruction orientation meeting with the Developer and with the General Contractor to explain such matters as the specific rates of wages to be paid to workers in connection with the development of the Improvements, preconstruction conference requirements, record keeping and reporting requirements necessary for the evaluation of the Developer's compliance with this Section 6.15.

d. Developer shall monitor and enforce the prevailing wage requirements imposed on its contractors and subcontractors, including withholding payments to those contractors or subcontractors who violate these requirements. In the event that Developer fails to monitor or enforce these requirements against any contractor or subcontractor, Developer shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if Developer was the actual employer, and the City or the State Department of Industrial Relations may withhold monies owed to the Developer, may impose penalties on Developer in the amounts specified herein, may take action directly against the contractor or subcontractor as permitted by law, and/or may declare the Developer in default of this Agreement (subject to the notice and cure rights provided in this Agreement) and thereafter pursue any of the remedies available under this Agreement.

e. Any contractor or subcontractor who is at the time of bidding debarred by the Labor Commissioner pursuant to Section 1777.1 of the California Labor Code is ineligible to bid on the construction of the Improvements or to receive any contract or subcontract for work covered under this Agreement. The Developer agrees to include, or cause to be included, this paragraph (e) in all bid specifications for work covered under this Agreement.

f. Any contractor or subcontractor who, at the time of the date of this Agreement, is listed in the Lists of Parties Excluded From Federal Procurement or

Nonprocurement Programs issued by the U.S. General Services Administration pursuant to Section 3(a) of the Davis-Bacon Act is ineligible to receive a contract for work covered under this Agreement, if the covered work is Federally funded in whole or in part.

g. Any contractor or subcontractor that is at the time of bidding debarred or declared non-responsible under the City's Contractor Responsibility Ordinance is ineligible to bid on the construction of the Improvements or to receive any contract or subcontract for work covered under this Agreement. Developer agrees to include, or cause to be included, this paragraph (g) in all bid specifications for work covered under this Agreement.

h. Developer agrees to include, or cause to be included, the above provisions in all bid specifications for work covered under this Agreement.

i. Developer shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the City) the City against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Developer, its contractor and subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq. and implementing regulation or comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations in connection with construction of the improvements or any other work undertaken or in connection with the Site. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent and any debts to the City pursuant to this Agreement, Ground Lease, and City Development Documents, reconveyance of the City Leasehold Deed of Trust, if any, Regulatory Agreement, and Notice of Affordability Restrictions and the termination of this Agreement.

j. For purposes of this Section 6.15, the terms "contractor" and "subcontractor" shall have the meaning set forth in the City Prevailing Wage Policy.

ARTICLE 7. USE OF THE SITE AND DEVELOPER OBLIGATIONS DURING AND AFTER CONSTRUCTION

7.1 Uses.

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that Developer, such successors and such assignees shall use the Site only for the uses specified in the Redevelopment Plan, this Agreement (including the Scope of Development), and the Regulatory Agreement. No change in the use of the Site shall be permitted without the prior written approval of the City.

7.2 Affordability.

The Developer hereby agrees that, for the term of the Regulatory Agreement, the Affordable Units within the Improvements shall be used only for residential uses consistent with the Regulatory Agreement. All of the housing units in the Project (other than the resident manager's unit) shall be made available and rented exclusively to Eligible Households in the income categories and at rents that do not exceed the respective affordability levels set forth in the Regulatory Agreement. In the event the Project contains both Affordable Units and dwelling units that are unrestricted as to rents and incomes, the Affordable Units shall to the maximum extent feasible be comparable to unrestricted units with the same number of rooms, in terms of size, location and amenities.

7.3 Allowable Rent.

For the term of the Regulatory Agreement, Developer shall not charge rent for an Affordable Unit that exceeds the applicable Affordable Rent for the income level of a Household that is eligible to rent that Affordable Unit (i.e., rent for a Moderate Income Unit shall not exceed a Moderate Income Rent, etc.), as set forth more specifically in the Regulatory Agreement.

7.4 Maintenance of the Site.

At all times after the Close of Escrow and prior to the completion of construction, Developer shall secure and maintain the Site or cause the Site to be secured and maintained in a safe, neat and orderly condition to the extent practicable and in accordance with industry health and safety standards for construction sites. Upon and at all times after completion of construction, the Project shall be well maintained as to both external and internal appearance of all buildings, landscaping, common areas, and parking areas, conforming to the best practices of operators of comparable City-assisted affordable housing, and the requirements set forth in the Regulatory Agreement, if any, for the term of that agreement.

7.5 Management Requirements.

a. Operations and Maintenance. For the term of the Regulatory Agreement, Developer shall operate and maintain the Project in accordance with all applicable federal, state and local laws and rules, in conformance with the best practices of operators of comparable City-assisted affordable housing and the management requirements set forth in the Regulatory Agreement, and provide for the operation of the Project in a manner satisfactory to the City pursuant to the Management Plan (defined in the Regulatory Agreement). Not later than the time specified in the Schedule of Performance, the Developer shall submit to the LAHD General Manager or designee for written approval, a Management Plan for the Project. The Developer shall submit the Management Plan and all necessary supporting information in such time to permit the

LAHD General Manager or designee to approve, disapprove or comment on the Management Plan twenty (20) Business Days prior to the completion of construction. The Management Plan, including such amendments as may be approved by the LAHD General Manager or designee, shall remain in effect for the term of the Ground Lease or the term of the Regulatory Agreement, whichever is longer.

b. Just Cause Evictions. Developer shall include the following provision in all Developer leases and rental agreements for the Project:

“Owner may not terminate the tenancy or refuse to renew this lease or rental agreement except for good cause. The term “good cause” shall mean a serious or repeated violation of the material terms and conditions of the lease, or a violation of applicable federal, state or local law. To terminate the tenancy or refuse to renew the lease, Owner must provide written notice to the Developer of the grounds with sufficient specificity to enable the Developer to prepare a defense. The notice must be served at least three Business Days before the termination of tenancy, and must comply with all requirements of California law and other applicable programs. Developer has the right to enforce this requirement in state court, including presenting a defense to any eviction action brought by Owner.”

7.6 Obligation to Refrain from Discrimination.

a. Developer covenants and agrees for itself, its successors and its assigns in interest to the Site or any part thereof, that there shall be no discrimination against or segregation of any person or persons on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code. All deeds, leases, or contracts for the sale, lease, sublease, or other transfer of the Site shall contain or be subject to the nondiscrimination or non-segregation clauses hereafter prescribed.

b. Notwithstanding subdivision (a), with respect to familial status, subdivision (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subdivision (a).

7.7 Form of Nondiscrimination and Nonsegregation Clauses.

Developer shall refrain from restricting the rental, sale or lease of the Site as provided in Section 7.6, above. All deeds, leases or contracts for the sale, lease,

sublease, or other transfer of the Site entered into after the date on which this Agreement is executed by the City shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

a. (1) In deeds the following language shall appear--"The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of Developers, lessees, sub Developers, sub-lessees, or vendees in the Site herein conveyed. The foregoing covenants shall run with the land."

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

b. (1) In leases the following language shall appear--"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Site herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of Developers, lessees, sub-lessees, sub Developers, or vendees in the Site herein leased."

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and

799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

c. In contracts entered into by the City relating to the sale, transfer, or leasing of land or any interest therein acquired by the City within any survey area or redevelopment project the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

7.8 Barriers to the Disabled.

a. Compliance with all Accessibility Requirements. Developer shall comply with all applicable requirements of state, local and federal rules, laws and regulations relating to accessibility and reasonable accommodations for persons with disabilities, including, without limitation, the following to the extent any are applicable to the Project: Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794 and implementing regulations at 24 CFR Part 8); the Americans with Disabilities Act (42 U.S.C. Sections 12131 *et seq.* and 12181 *et seq.*, and implementing regulations at 28 CFR Parts 35 and 36); the Fair Housing Act (42 U.S.C. Section 3601 *et seq.*, and implementing regulations at 24 CFR Part 100); the Fair Employment and Housing Act (California Government Code Section 12926); and Title 24 of the California Building Code. Without limiting the generality of the foregoing,

(i) residential and nonresidential projects that involve new construction or rehabilitation of existing buildings and that are financed in whole or in part with federal funds (e.g. CDBG, HOME) shall comply with all applicable requirements of Section 504 of the Rehabilitation Act of 1973 and all other applicable requirements;

(ii) projects that receive City or other nonfederal sources of funding shall comply with all applicable requirements of the Americans with Disabilities Act, the Fair Housing Act, the Fair Employment and Housing Act, Title 24 of the California Building Code, and all other applicable requirements;

(iii) commercial structures, and common areas and public use areas in residential projects, shall comply with all applicable requirements of the Americans with Disabilities Act, Title 24 of the California Building Code and all other applicable requirements.

Developer shall ensure that construction plans submitted for review by the City comply with all applicable requirements of law and that Project construction is carried out in conformity with approved plans.

b. ADA Certification. Developer hereby certifies as follows:

(i) Developer is in compliance with and shall continue to comply with the Americans with Disabilities Act, 42 U.S.C. 12101 et seq. and its implementing regulations.

(ii) Developer shall provide for reasonable accommodations to allow qualified individuals with disabilities to have access to and participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act.

(iii) Developer shall not discriminate against persons with disabilities nor against persons due to their relationship or association with a person with a disability.

(iv) Developer shall require that the language of this Section 7.8 be included in the award documents for all sub-awards at all tiers (including subcontracts, and contracts under grants, loans and cooperative agreements) and that all subcontractors shall certify and disclose accordingly.

(v) The certification set forth in this Section is a material representation of fact upon which reliance was placed when the Parties entered into this transaction.

7.9 Effect and Duration of Covenants.

The covenants established in this Agreement shall run with the land, without regard to technical classification and designation, and shall be for the benefit and in favor of and enforceable against the original Developer and successors in interest by the City. The covenants described in this Article 7 shall commence upon execution of this Agreement, shall be set forth in the Regulatory Agreement and shall remain in effect for the respective periods specified therein.

7.10 Regulatory Agreement.

Prior to the Close of Escrow and execution of the Ground Lease, Developer and City shall execute the Regulatory Agreement and the Notice of Affordability Restrictions, which shall be recorded against the Site upon the Close of Escrow. The Regulatory

Agreement shall have a term of not less than 55 years from the Certificate of Occupancy (COO).

7.11 Monitoring.

a. The parties acknowledge that this Agreement is subject to the provisions of Section 33418(a) of the California Health and Safety Code, which provides in pertinent part:

“An Agency shall monitor, on an ongoing basis, any housing affordable to persons and families of low or moderate income developed or otherwise made available pursuant to any provisions of this part. As part of this monitoring, an Agency shall require owners or managers of the housing to submit an annual report to the Agency. The annual reports shall include for each rental unit the rental rate and the income and family size of the occupants... The income information required by this section shall be supplied by the Developer in a certified statement of a form provided by the Agency.”

b. Developer, on behalf of itself, its successors and assigns, covenants and agrees to submit an annual report to LAHD containing, for each Affordable Unit, the rental rate and the income and family size of the occupants. LAHD shall provide the format to be used.

7.12 Indemnity.

a. Developer shall indemnify, defend (with counsel approved by the City) and hold harmless the City, and their respective elected and appointed officers, officials, employees, agents, consultants, and contractors (collectively, the “Indemnitees”) from and against any and all liabilities, losses, costs, expenses (including without limitation attorneys’ fees and costs of litigation), claims, demands, actions, suits, causes of action, writs, judicial or administrative proceedings, penalties, deficiencies, fines, orders, judgments and damages (all of the foregoing collectively “Claims”) which in any manner, directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, result from, or relate to: (i) approval of this Agreement and/or the Improvements; (ii) performance of this Agreement on the part of the Developer or any contractor or subcontractor of Developer; and/or (iii) the rehabilitation, operation, maintenance or management of the Improvements, whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that the City does not and shall not waive any rights against Developer which it may have by reason of this indemnity and hold harmless agreement because of the acceptance by the City, or Developer’s deposit with the City of any of the insurance policies described in this Agreement.

b. Developer shall pay immediately upon the Indemnitees' demand any amounts owing under this indemnity. The duty of Developer to indemnify includes the duty to defend the Indemnitees or, at the Indemnitees' choosing, to pay the Indemnitees' costs of its defense in any court action, administrative action, or other proceeding brought by any third party arising from the Improvements or the Site. The Indemnitees may make all reasonable decisions with respect to their representation in any legal proceeding, including, but not limited to, the selection of attorney(s). Developer's obligations set forth in this Section shall survive the issuance of the Certificate of Completion by the City, repayment of the City Rent and any debts to the City pursuant to this Agreement, Ground Lease, and City Development Documents, reconveyance of the City Leasehold Deed of Trust, if any, Regulatory Agreement, and Notice of Affordability Restrictions and the termination of this Agreement. Developer's indemnification obligations set forth in this Section 7.12 shall not apply to Claims arising solely from the gross negligence or willful misconduct of the Indemnitees.

7.13 Insurance Coverage.

Developer shall furnish or cause to be furnished to the City duplicate originals or certified copies of the insurance policies, complete with additional insured and loss payee endorsements, as applicable pursuant to this Agreement. Developer shall maintain and keep in full force and effect the following policies of insurance, issued by companies approved and regulated by the State Department of Insurance, commencing upon the execution of this Agreement or Developer taking leasehold title to the Site, whichever occurs later, including:

a. Developer and Developer's contractors and sub-contractors hired to perform work on the Site shall maintain Commercial General Liability insurance, to protect against Claims due to bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Site and the Improvements, or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of the City or Developer or any person acting for the City or Developer, or under their respective control or direction, and also to protect against Claims due to damage to any property of any person occurring on or about the Site and the Improvements, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of the City or Developer, its contractor(s) or subcontractor(s) or its Developers or any person acting for the City or Developer, or under their respective control or direction. Such property damage and bodily injury insurance shall also provide for and protect the City against incurring any legal cost in defending claims for alleged loss. Such bodily injury and property damage insurance shall name the Indemnitees as additional insureds. Such bodily injury and property damage insurance shall be in minimum limits of One-Million Dollars (\$1,000,000.00) per occurrence with a Five Million Dollars (\$5,000,000.00) aggregate; provided, however, the limitation on the amount of insurance shall not limit the responsibility of the Developer to indemnify the Indemnitees or to pay damages for injury to persons or property resulting from Developer's activities

or the activities of any other person or persons for which Developer is otherwise responsible.

b. During construction and until a Certificate of Occupancy for the completed development has been issued by the City, Developer shall carry Builder's Risk coverage for the Improvements. After completion of construction, Developer shall maintain property insurance in an amount not less than the full insurable value of the Improvements with extended coverage including fire, windstorm, flood, vandalism, malicious mischief, earthquake (if commercially available at reasonable rates or as otherwise required), boiler and machinery if applicable, and other such perils customarily covered by an "All Risk" policy. Such policy shall include a loss payable endorsement naming the "**City of Los Angeles**" as loss payees. The term "full insurable value" as used above shall mean the actual replacement cost (excluding the cost of excavation, foundation and footings below the lowest floor and without deduction for depreciation) of the Improvements immediately before such casualty or other loss, including the cost of rehabilitation of the Improvements, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, not less often than once every three (3) years, Developer shall cause the full insurable value of the Improvements to be determined, such determination to be either by appraisal of the insurer, or by an appraiser mutually acceptable to the City and the Developer. The manner of determination of value shall be agreed to in writing by Developer and the LAHD General Manager or designee.

c. After the completion of construction, Developer shall maintain or cause to be maintained loss of rental income insurance with respect to the Improvements, against the perils of fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily included in extended coverage policies.

d. Developer and its contractors and subcontractors shall maintain or cause to be maintained Workers' Compensation Insurance including Employer's Liability in limits of not less than One Million Dollars (\$1,000,000.00), issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the workers' compensation laws now in force in California, or any laws hereafter enacted as an amendment or supplement thereto or in lieu thereof. Such workers' compensation insurance shall cover all persons employed by Developer and its contractors and subcontractors in connection with the Site and the Improvements and shall cover claims for death, bodily injury, illness, or disease made by, for or on behalf of any person incurring or suffering injury, death, illness or disease in connection with the Site or the Improvements or the operation thereof by Developer.

e. Professional liability insurance shall be required of architects and engineers hired to perform work on the Improvements in limits of not less than One Million Dollars (\$1,000,000.000). Developer shall ensure that insurance for architects and engineers is received by the City prior to the commencement of any work on the Site.

f. Commercial automobile insurance coverage in minimum limits of not less than One Million Dollars (\$1,000,000.00) shall be required by Developer and/or Developer's contractors and sub-contractors hired to perform work on the Site for owned, hired, leased, and non-owned autos and shall be received by the City prior to the commencement of any work being performed on Site.

g. All required insurance policies shall not be subject to cancellation, reduction in coverage, or non-renewal except after notice in writing shall have been sent by registered mail addressed to both LAHD not less than twenty (20) Business Days prior to the effective date thereof (ten (10) Business Days for nonpayment of premiums). **All policies where applicable must name the "City of Los Angeles" as additional insured.** The insurance policies or endorsements shall also contain a waiver of subrogation for the benefit of the City of Los Angeles.

h. All insurance provided under this Agreement shall be for the benefit of Developer and the City. Developer agrees to timely pay or cause to be paid all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance.

i. Developer shall submit proof of insurance and applicable endorsements as required by this Section to the City prior to the Close of Escrow. At least twenty (20) Business Days prior to expiration of any such policy, copies of renewal policies shall be submitted to the City.

j. All insurance herein provided for in this Agreement shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of California reasonably approved by the City.

k. Subject to the provisions of any Construction and/or Permanent Lender's loan documents, all insurance proceeds with respect to loss or damage to the Improvements during the term of the Ground Lease shall be payable, under the provisions of the relevant insurance policy, jointly to Developer and the City, and said proceeds shall constitute a trust fund to be used for the restoration, repair or rebuilding of the Improvements in accordance with plans and specifications approved in writing by the City. To the extent that such proceeds exceed the cost of such restoration, repair or rebuilding, such proceeds shall be applied to repay the City Rent. During any period when a Permanent Loan is outstanding, such proceeds shall be divided between the Permanent Lender and City in proportion to the balance of their respective loans. In the event of any fire or other casualty to the Improvements or eminent domain proceedings resulting in condemnation of the Improvements or any part thereof, the Developer shall have the right to rebuild the Improvements, and to use all available insurance or condemnation proceeds to pay costs in connection with rebuilding the Improvements, provided that (1)

such proceeds are sufficient to pay City Rent and rebuild the Improvements in a manner that provides adequate security to the City for repayment of the City Rent or if such proceeds are insufficient then the Developer shall have funded any deficiency, (2) the City shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (3) no material default then exists under this Agreement, Ground Lease or City Development Documents. If the casualty or condemnation affects only part of the Improvements and total rebuilding is infeasible, then proceeds may be used for partial rebuilding.

l. The City reserve the right at any time during the term of this Agreement to change the amounts and types of insurance required hereunder by giving the Developer ninety calendar days written, advance notice of such change. If such change(s) should result in substantial additional cost to the Developer, the City agrees to negotiate additional compensation proportional to the increased benefit to the City of Los Angeles.

m. The City shall have the right in its sole discretion to accept insurance policies with lower limits than the minimum limits set forth in this Section 7.13.

7.14 Insurance Advances.

In the event Developer fails to maintain or cause to be maintained the full insurance coverage required by this Agreement, the City, after at least five (5) Business Days prior notice to Developer, may, but shall be under no obligation to, take out the required policies of insurance and pay the premiums on such policies. Any amount so advanced by the City, together with interest thereon from the date of such advance at the highest rate of interest then allowed by applicable law, shall become an additional obligation of Developer to the City under this Agreement and shall be secured by a City Leasehold Deed of Trust.

7.15 Hazardous Materials.

a. The Developer hereby covenants and agrees that:

(i) The Developer shall not knowingly permit the Site or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence of Hazardous Materials in, on or under the Site in violation of any applicable law;

(ii) The Developer shall keep and maintain the Project and each portion thereof in compliance with, and shall not cause or permit the Project or any portion thereof to be in violation of any Hazardous Materials Laws;

(iii) Upon receiving actual knowledge of the same, the Developer shall within ten (10) days advise the City in writing of: (A) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted or threatened against the Developer or the Project pursuant to any applicable Hazardous Materials Laws; (B) any and all claims made or threatened by any third party against the Developer or the Project relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in the foregoing clause (A) and this clause (B) are hereinafter referred to as "Hazardous Materials Claims"); (C) the presence of any Hazardous Materials in, on or under the Site in such quantities which require reporting to a government agency; or (D) the Developer's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Project classified as "border zone property" under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Project under any Hazardous Materials Laws. If the City reasonably determine that the Developer is not adequately responding to a written directive or order from a regulatory body or court regarding a Hazardous Material Claim, the City shall have the right, upon ten (10) Business Days written notice to the Developer, to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any such Hazardous Materials Claims and, if such claim could result in any liability or damage to the City, to have its reasonable attorney's fees in connection therewith paid by the Developer.

(iv) As long as the Ground Lease is in effect, the Developer shall not take, without the City's prior written consent, which shall not be unreasonably withheld or delayed, any remedial action in response to the presence of any Hazardous Materials on, under, or about the Site (other than in emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claims.

b. Hazardous Materials Indemnity. Without limiting the generality of the indemnification set forth in this Section 7.15, the Developer hereby agrees to indemnify, protect, hold harmless and defend (by counsel acceptable to the City) the City, its Council Members, officers, employees and agents from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses), arising directly or indirectly, in whole or in part,

out of: (1) the failure of the Developer, its agents, employees, or contractors to comply with any Hazardous Materials Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Project; (2) the presence in, on or under the Site of any Hazardous Materials not otherwise present before the Close of Escrow or any releases or discharges of any Hazardous Materials into, on, under or from the Project occurring after the Close of Escrow; or (3) any activity carried on or undertaken on or off the Project, subsequent to the conveyance of the Site to the Developer, by the Developer or any employees, agents, contractors or subcontractors of the Developer at any time occupying or present on the Project, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials at any time located or present on or under the Project (collectively "Indemnification Claims"). The foregoing indemnity shall further apply to any residual contamination on or under the Project, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials by the Developer, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent, termination of the Regulatory Agreement, withdrawal of the Notice of Affordability Restrictions and the termination of this Agreement.

c. No Limitation. The Developer hereby acknowledges and agrees that the Developer's duties, obligations and liabilities under this Agreement, including, without limitation, under paragraph b. of this Section 7.15, above, are in no way limited or otherwise affected by any information the City may have concerning the Site or the Project and/or the presence on or under the Site or within the Project of any Hazardous Materials, whether the City obtained such information from the Developer or from its own investigations.

7.16 Taxes and Assessments.

Developer shall pay prior to delinquency any and all real estate taxes and assessments (including any possessory interest tax) assessed and levied on the Site or any portion thereof and Developer hereby agrees to indemnify, defend and hold the City and all of the City's Representatives free and harmless against any and all Losses and Liabilities arising from the failure to pay when due such taxes and assessments. The City shall have the right, but not the obligation, to advance on behalf of Developer any amounts due as the result of real estate taxes and assessments (including any possessory interest tax) assessed and levied on the Site or any portion thereof. Developer shall immediately reimburse the City for any amount so advanced by the City, together with interest thereon from the date of such advance at the highest rate of interest then allowed by applicable law, and any such amount that is not paid when due shall become an additional obligation of Developer to the City secured by a City Leasehold Deed of Trust. This indemnity

obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent, termination of the Regulatory Agreement, withdrawal of the Notice of Affordability Restrictions and the termination of this Agreement.

7.17 City's Living Wage Ordinance and Service Contractor Worker Retention Ordinance.

- A. Unless otherwise exempt, this Agreement is subject to the applicable provisions of the Living Wage Ordinance (LWO) Section 10.37 et. seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. Among other things, the Ordinances require the following:
1. Developer assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits as defined in the LWO.
 2. Developer further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Developer shall require each of its contractors and subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Developer shall deliver the executed pledges from each such contractor and subcontractor to the City within ninety (90) days of the execution of the contract and subcontract. Developer's delivery of executed pledges from each such contractor and subcontractor shall fully discharge the obligation of the Developer with respect to such pledges and fully discharge the obligation of the Developer to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. The Developer and any contractor and subcontractor for the project, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Developer and any contractor and subcontractor for the project shall post the Notice

to Employees Working on City Contracts Re: Living Wage Ordinance and Prohibition Against Retaliation provided by the City.

4. Any contract and subcontract entered into by the Developer and any contractor and subcontractor for the project relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this Section and shall incorporate the provisions of the LWO and the SCWRO.
 5. Developer and any contractor and subcontractor for the project shall comply with all rules, regulations and policies promulgated by the City's designated administrative agency which may be amended from time to time.
- B. Under the provisions of Section 10.36.3 and Section 10.37.6 of the Los Angeles Administrative Code, the City shall have the authority, under appropriate circumstances, to terminate this Agreement and otherwise pursue legal remedies that may be available if the City determines that the subject Developer and any contractor and subcontractor has violated provisions of either the LWO or the SCWRO or both.
- C. Where under the LWO Section 10.37.6, the City's designated administrative agency has determined (a) that the Developer and any contractor and subcontractor for the project is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the City in such circumstances may impound monies otherwise due the Developer in accordance with the following procedures. Impoundment shall mean that from monies due the Developer, the City may deduct the amount determined to be due and owing by the Developer and any contractor and subcontractor for the project to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6 and disposed of under procedures described therein through final and binding arbitration. Whether the Developer and any contractor and subcontractor for the project is to continue work following an impoundment shall remain in the sole discretion of the City. The Developer and any contractors and subcontractors for the project may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.
- D. This Agreement is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, with all amendments and revisions thereto. Developer shall and shall cause any contractor and subcontractor for the Project to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). Developer shall and shall cause any contractor and subcontractor for the

Project to make available to employees the forms informing the employees about the EIC and the forms required to secure advance EIC payments from Developer, any contractor or subcontractor for the Project.

7.18 City's Equal Benefits Ordinance.

Unless otherwise exempt, this Agreement is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of the project, the Developer certifies and represents that the Developer and any contractor and subcontractor will comply with the EBO.
- B. The failure of the Developer to comply or to ensure that any contractor or subcontractor comply with the EBO will be deemed to be a material breach of the Agreement by the City.
- C. If the Developer and any contractor and subcontractor fails to comply with the EBO, the City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.
- D. Failure to comply with the EBO may be used as evidence against the Developer in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.
- E. If the City's designated Administrative Agency determines that a Developer has set up or used its contracting entity for the purpose of evading the intent of the EBO, the City may terminate the Agreement. Violation of this provision may be used as evidence against the Developer in actions taken pursuant to the provisions of the Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.
- F. The Developer shall post and shall ensure posting the following statement in conspicuous places at its place of business and the project available to employees and applicants for employment:

"During the performance of this project with the City of Los Angeles, the Developer and any contractor or subcontractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits

Ordinance may be obtained from the Department of Public Works, Office of contract Compliance at (213) 847-1922".

7.19. Contractor Responsibility Ordinance.

Unless otherwise exempt, this Agreement is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of the Los Angeles Administrative Code, as amended from time to time, which requires Developer to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect Developer's fitness and ability to continue performing under the Agreement.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Agreement, Developer pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Agreement, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. The Developer further agrees to: (1) notify the City within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Developer is not in compliance with all applicable federal, state and local laws in performance of this Agreement and project; (2) notify the City within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Developer and any contractor and subcontractor for the project has violated the provisions of Section 10.40.3 (a) of the Contractor Responsibility Ordinance; (3) ensure that its subcontractor(s), as defined in the Contract Responsibility Ordinance, submit a Pledge of Compliance to the City; and (4) ensure that its contractor and subcontractor, as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the City within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the contractor or subcontractor has violated Section 10.40.3(a) of the Contract Responsibility Ordinance in performance of the contract or subcontract.

7.20 Slavery Disclosure Ordinance.

Unless otherwise exempt, this Agreement is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time. Developer certifies that it has complied with the applicable provisions of the Slavery Disclosure Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Agreement.

7.21 First Source Hiring Ordinance.

Unless otherwise exempt, this contract is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 *et seq.* of the Los Angeles Administrative Code as amended from time to time.

- A. Developer shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that Developer estimates it will need to fill in order to perform the services under the contract.
- B. Developer further pledges that it will, during the term of the contract: (1) at least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Economic and Workforce Development Department (EWDD), which will refer individuals for interview; (2) interview qualified individuals referred by EWDD; and (3) prior to filing any employment opportunity, the Developer shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the Developer interviewed and the reasons why referred individuals were not hired.
- C. Any contract or subcontract entered into by the Developer relating to this contract, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
- D. Developer shall comply with all rules, regulations and policies promulgated by the DAA, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the DAA has determined that the Developer intentionally violated or used hiring practices for the purpose of avoiding the FSHO, that determination will be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 *et seq.*, and must be documented in each of the Developer's subsequent Contractor Responsibility Questionnaires submitted under the Los Angeles Administrative Code Section 10.40 *et seq.* This measure does not limit the City's authority to act under the FSHO.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this contract and otherwise pursue legal remedies that may be available if the DAA determines that the Developer has violated provisions of the FSHO.

7.22 Child Support Assignment Orders.

This Agreement is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, Developer will fully comply with all applicable State and Federal employment reporting requirements for Developer's, contractor's and subcontractor's employees. Developer shall also certify that (1) Developer and any contractor and subcontractor will fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of the Developer(s) are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) Developer and any contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230 *et seq.* of the California Family Code; and (4) Developer and any contractor or subcontractor will maintain such compliance throughout the term of this Agreement.

Pursuant to Section 10.10b of the Los Angeles Administrative Code, the failure of Developer to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of the Developer(s) to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Developer under the terms of this Agreement, subjecting this Agreement to termination if such default shall continue for more than ninety (90) days after notice of such default to Developer by City.

Any contract and subcontract entered into by the Developer, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Developer to obtain compliance of its contractor and subcontractor shall constitute a default by the Developer under the terms of this Agreement, subjecting this Agreement to termination where such default shall continue for more than ninety (90) days after notice of such default to Developer by the City.

Developer certifies that, to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in Section 7110(b) of the California Public Contract Code.

7.23 Enforcement of Employment Requirements.

In the event of underpayment of wages by Developer or by any contractor or subcontractor employed on the Project, the City, in addition to other rights and remedies afforded by this Agreement or applicable law, may: (1) demand that Developer and/or any underpaying employer comply with these requirements; (2) demand that the underpaying employer pay the difference between the prevailing wage rates and the amount actually paid to workers; (3) withhold from Developer any of the City loan proceeds (if any) as may

be necessary to compensate workers the full wages required under this Agreement (whether or not the payee of the City loan (if any) is directly responsible for the underpayment); (4) impose liquidated damages in the form of a forfeiture of up to fifty dollars (\$50) per calendar day for each worker paid less than the prevailing wage, the amount of such forfeiture to be determined solely by the City according to the standards contained in California Labor Code Section 1775; and/or (5) pursue any lawful administrative or court remedy to enforce these requirements against the Developer and underpaying employer. Developer shall comply with any demand to pay any amounts due under this section within ten (10) calendar days of said demand. In addition, a worker who has been paid less than the prevailing wage rate shall have a right to commence an action or proceeding against the employer to collect the underpayment.

In the event of any violation or deficiency with respect to the equal opportunity and/or the MBE/WBE provisions herein, including failure to provide adequate documentation as specified herein, by Developer or by any contractor or subcontractor employed on the Project, the City, in addition to other rights and remedies afforded by this Agreement or applicable law, may: (1) demand that any noncomplying party comply with these requirements; (2) withhold disbursement of the City loan proceeds (if any) from Developer or any contractor or subcontractor until such violations are corrected; (3) impose liquidated damages on the noncomplying party in the form of a forfeiture of up to one thousand dollars (\$1,000) or one percent (1%) of the contract, whichever is less, the amount of such forfeiture to be determined solely by the City; and/or (4) pursue any lawful administrative or court remedy to enforce these requirements. Any noncomplying party shall comply with any demand to correct any noncompliance within ten (10) business days of said demand.

Developer shall monitor and enforce the equal employment opportunity, minority- and women-owned business enterprises, and prevailing wage requirements imposed on its contractors and subcontractors, including withholding payments to those contractors or subcontractors who violate these requirements. In the event that Developer fails to monitor or enforce these requirements against any contractor or subcontractor, Developer shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if Developer was the actual employer, and the City may withhold payments to Developer, may impose liquidated damages on Developer in the amounts specified herein, may take action directly against the contractor or subcontractor as permitted by law, and/or may declare an Event of Default and pursue any of the other remedies available under this Agreement.

7.24 Fair Chance Initiative for Hiring Ordinance.

Unless otherwise exempt under Federal or State law, City Contractors and subcontractors with 10 or more employees are prohibited under Los Angeles Administrative Code Section 10.48 from seeking a job applicant's criminal history information until a job offer is made and from withdrawing a job offer unless the employer

performs an assessment of the applicant's criminal history and the duties of the position. Contractors and subcontractors are required to include information regarding the ordinance in all job solicitations and advertisements and to post notices informing job applicants of their rights. Additional information and forms may be found at Department of Public Works, Bureau of Contract Administration at <http://bca.lacity.org/>.

7.25 Labor Compliance Meeting.

The Developer shall meet with LAHDLA's Labor Compliance staff for a pre-construction briefing on all City construction requirements prior to the issuance of a notice to proceed.

ARTICLE 8. ASSIGNMENT AND TRANSFERS

8.1 Definitions.

As used in this Article 8, the terms "Transfer" and "Permitted Transfer" shall have the respective meanings set forth in Section 1.2 of this Agreement.

8.2 Restrictions on Transfer.

a. Developer represents and agrees that its undertakings pursuant to this Agreement are for the purpose of redeveloping the Site and providing affordable rental housing for Low Income Households, and not for speculation in land holding. Developer further recognizes that the qualifications and identity of Developer are of particular concern to the City, in light of the following: (1) the importance of the redevelopment of the Site to the general welfare of the community; (2) the public assistance that has been made available by law and by the government for the purpose of making such redevelopment possible; and (3) the fact that a change in ownership or control of Developer or any other act or transaction involving or resulting in a significant change in ownership or control of Developer, is for practical purposes a transfer or disposition of the property then owned by Developer. Developer further recognizes that it is because of such qualifications and identity that City is entering into this Agreement with Developer. Therefore, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein.

b. Developer shall not assign all or any part of this Agreement or the Site, or any interest herein, without the prior written approval of the City. Subject to review of documentation effectuating any such proposed assignment or transfer, the City shall provide written confirmation to Developer that a proposed assignment is a Permitted Transfer, if such be the case, as provided in Section 8.4.a., below.

c. For the reasons cited above, Developer represents and agrees for itself and any successor in interest that, without the prior written approval of the City, there shall be no significant change in the ownership of Developer or in the relative proportions thereof, or with respect to the identity of the parties in control of Developer or the degree thereof, by any method or means, except by Permitted Transfers.

d. Any assignment or transfer of this Agreement or the Site or any interest herein or therein or significant change in ownership of Developer, other than a Permitted Transfer, shall require the prior written approval of the City. To the extent the City's approval of an assignment or transfer is required by this Agreement, in granting or withholding its approval, the City shall base their decision upon: (i) the relevant experience, financial capability and reputation of the proposed assignee or transferee; and (ii) the effect, if any, of such proposed transfer on the public purposes of this Agreement. In addition, the City shall have the right, in its sole discretion, to disapprove any assignment or transfer of this Agreement or any interest herein or significant change in ownership of Developer or transfer of the Site that results in payment of consideration to any Person, prior to the issuance of the Certificate of Completion, that is not conditioned upon the issuance of the Certificate of Completion. In the event LAHD denies a request for a Transfer or assignment of this Agreement, except a Permitted Transfer, LAHD, as applicable, shall set forth its reasons for denying such request in writing.

e. Developer shall promptly notify the City of any and all changes whatsoever in the identity of the parties in control of Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. Except for Permitted Transfers, any significant change (voluntary or involuntary) in ownership or control of Developer (other than changes occasioned by the death or incapacity of any individual or approved in advance in writing by the City) shall constitute a default under this Agreement. In the event of the death or incapacity of any individual who controls Developer or the managing member or general partner of Developer, any resulting change in the management of the Project or the control of the day-to-day operations of the Site and the Improvements shall be subject to the approval of the LAHD General Manager, which approval shall not be unreasonably withheld, conditioned or delayed.

8.3 Prohibited Transfers.

The limitations on Transfers set forth in this Article 8 shall apply from the Effective Date of this Agreement until the latest of (a) issuance of a Certificate of Completion by the City to the Developer; (b) the date the City Rent and City debts, if any, related to this Agreement, Ground Lease and City Development Documents, is repaid in full; and (c) the date the Regulatory Agreement expires. Except for Permitted Transfers and as expressly permitted in this Agreement, the Developer represents and agrees that the Developer has not made or created, and shall not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law, without the prior approval of the City.

Any Transfer made in contravention of this Section 8.3 shall be void and shall be deemed to be a default under this Agreement, whether or not the Developer knew of or participated in such Transfer.

8.4 Effectuation of Transfers.

a. In the event of a Permitted Transfer, Developer shall submit to the City such documentation as the LAHD General Manager or designee may determine is sufficient to document that such Transfer is a Permitted Transfer.

b. In the event of a Transfer other than a Permitted Transfer, the proposed transferee for which the City's approval is required shall have the relevant experience, financial capability and reputation necessary to fulfill the obligations undertaken in this Agreement by the Developer and otherwise acceptable to the City. LAHD shall grant or deny approval of a proposed Transfer within thirty (30) calendar days of receipt by the LAHD of the Developer's request for approval of a Transfer, by Notice as required by Section 11.2 of this Agreement, accompanied by the deposit required by paragraph e. of this Section 8.4, below, which request shall include evidence of the proposed transferee's business expertise and financial capacity.

c. Any Transfer otherwise authorized or approved pursuant to this Agreement (including Permitted Transfers and other Transfers for which the City's approval is required) shall not be permitted unless, at the time of the Transfer, the person or entity to which such Transfer is made, by an agreement reasonably satisfactory to the City and in form recordable in the Office of the Los Angeles County Recorder, expressly agrees to perform and observe, from and after the date of the Transfer, the obligations, terms and conditions of this Agreement; provided, however, that no such transferee shall be liable for the failure of its predecessor to perform any such obligation.

d. Any assignment of rights and/or delegation of obligations under this Agreement in connection with a Transfer (whether or not the City's approval is required) shall be in writing executed by Developer and the assignee or transferee, which written agreement shall name the City as expressed third party beneficiaries with respect to such agreement (the "Assumption Agreement") with a copy thereof delivered to the City within ten (10) Business Days after the effective date thereof. Upon assignment or transfer of this Agreement pursuant to an Assumption Agreement, the assignor shall be relieved of liability with respect to any such obligations relating to the Project assumed by the assignee. Notwithstanding the foregoing, unless such assignee specifically assumes pursuant to the Assumption Agreement the obligations under this Agreement to indemnify the City with respect to the Project, the assignor shall retain such obligations and remain jointly and severally liable for such indemnity obligations with such assignee. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent, termination of the Regulatory Agreement, withdrawal of the Notice of Affordability Restrictions and the termination of this Agreement.

e. Developer shall reimburse the City for all actual staff time and consultant (legal and financial) costs associated with the City's review and consideration of any request for approval of a Transfer. The City shall not be obligated to act on any request for approval of a Transfer unless Developer shall deposit with the City the sum of Ten Thousand Dollars (\$10,000), which amount shall be subject to adjustment equal to the cumulative annual increase, if any, in the Consumer Price Index since 2011, together with its request for approval of a Transfer. If the costs of the City's review is less than the amount deposited, the excess deposit shall be returned to Developer. If the costs of the City's review exceed the deposit amount, the City shall send the Developer a bill for the costs and Developer shall promptly pay the City the additional costs.

ARTICLE 9. SECURITY FINANCING AND RIGHTS OF LENDERS

9.1 No Encumbrances Except for Development Purposes.

a. Until the Conditions Precedent to the Close of Escrow set forth in Section 3.1 of this Agreement have been satisfied and the Close of Escrow occurs, Developer shall not place mortgages, deeds of trust, or any other encumbrances as security for loans on the Site.

b. From and after the Close of Escrow, mortgages, deeds of trust, and other real property security instruments are permitted to be placed upon the Developer's interest in the Site to the extent consistent with Developer's Financing Plan and Project Budget as approved by the City. Such permitted security instruments and related interests shall be referred to as "Security Financing Interests." The Developer shall promptly notify the City in writing of any Security Financing Interest that Developer intends to record against the Site. The documents evidencing the Security Financing Interests shall provide that in the event of a Developer default, the holder of the Security Financing Interest shall send notice of the default to the LAHD concurrently with its notice to the Developer.

c. The Developer may record Security Financing Interests on the Site only for the purpose of securing Construction Loans and Permanent Loans identified in the Project Budget or Financing Plan approved by the City, and any refinancing of any such approved financing, subject to the City's consent.

d. No permitted Security Financing Interest will encumber any interest in the Site other than the leasehold interest of Developer in the leased premises under the City Ground Lease and Developer's fee ownership of the Improvements located on such leased Site.

9.2 Lender Not Obligated to Construct.

The holder of any Security Financing Interest authorized by this Agreement (“Permitted Lender”) is not obligated to construct or complete any improvements or to guarantee such construction or completion, nor shall any covenant or any other provision of this Agreement be construed so to obligate such Permitted Lender. However, nothing in this Agreement shall be deemed to permit or authorize any such Permitted Lender to devote the Site or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

9.3 Notice of Default and Right to Cure.

a. Whenever the City delivers to Developer any notice of breach (or demand for performance) with respect to the commencement, completion, or cessation of the construction of the Project, LAHD shall at the same time deliver such notice to each Permitted Lender and the Tax Credit Investor. Each Permitted Lender and the Tax Credit Investor shall (insofar as the rights of the City is concerned) have the right, but not the obligation, at its option, within twenty (20) Business Days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default or breach which is subject to the lien of the Security Financing Interest held by such holder and to add the cost thereof to the security interest debt and the lien on its security interest. Any such increase in a Security Financing Interest, limited to the amount needed to cure or remedy such default, shall not require additional approval by the City. Nothing contained in this Agreement shall be deemed to permit or authorize any Permitted Lender to undertake or continue construction or completion of the Project (beyond the extent necessary to conserve or protect such improvements or construction already made) without first having expressly assumed in writing the Developer's obligations to the City under this Agreement. The Permitted Lender in that event must agree to complete, in the manner provided in this Agreement, the development of the Project. Any such holder properly completing the development of the Project pursuant to this section shall assume all rights and obligations of Developer under this Agreement and shall be entitled, upon written request made to the City, to a Certificate of Completion from the City.

b. If a non-monetary event of default occurs under the terms of this Agreement, prior to exercising any remedies hereunder, LAHD shall give Developer, any Permitted Lender and the Tax Credit Equity Investor, as identified in Developer's LLC Agreement or partnership agreement, as the case may be, simultaneous notice of such default. If the default is reasonably capable of being cured within twenty (20) Business Days after such notice is received or deemed received, Developer shall have such period to effect a cure prior to exercise of remedies by the City under this Agreement. If the default is such that it is not reasonably capable of being cured within twenty (20) Business Days, and Developer (i) initiates corrective action within said period, and (ii) diligently and in good faith works to effect a cure as soon as possible, then Developer shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the City. If Developer fails to take corrective action or to cure the default

within a reasonable time, the City shall give Developer, any Permitted Lender and the Tax Credit Equity Investor written notice thereof, whereupon the Tax Credit Equity Investor may exercise any authority it may have under the Developer's LLC Agreement or partnership agreement, as the case may be, and the Permitted Lender may exercise any authority it may have under its financing agreements with Developer, to take corrective action, which may include, among other things, removing and replacing the managing member or general partner with a substitute managing member or general partner who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. In no event shall the City be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) calendar days after the notice of default is received or deemed received.

9.4 Failure of Permitted Lender to Complete Project.

In any case where six (6) months after default by the Developer, a Permitted Lender has not exercised its right to commence to complete the construction of the Project, or, having commenced to complete the construction of the Project has failed to complete the Project in a timely manner, the City shall be afforded those rights against such Permitted Lender it would otherwise have against the Developer under this Agreement.

9.5 Right of the City to Cure.

In the event of a default or breach by the Developer under the terms of any Security Financing Interest prior to the completion of construction of the Project, and if the Permitted Lender has not exercised its right to commence to complete the construction of the Project, or, having commenced to complete the construction of the Project has failed to complete the Project in a timely manner, the City may, upon prior written notice to the Developer, cure the default or breach, prior to the completion of any foreclosure. In such event, the City shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the City in curing the default. The City shall also be entitled to a lien upon the Project and/or Site to the extent of such costs and disbursements. The City agree that such lien shall be subordinate to any Senior Loan, and the City shall execute from time to time any and all documentation reasonably requested by the Developer to effect such subordination.

9.6 Permitted Lenders to be Notified.

The Developer shall obtain and submit to the City acknowledgement of this Article 9 by each holder of a Security Financing Interest prior to recordation of such Security Financing Interest.

9.7 Modifications.

If a Permitted Lender or Tax Credit Equity Investor should, as a condition of providing funding for the Project, request any modification of this Agreement in order to protect its interests in the Project or this Agreement, the LAHD General Manager shall consider such request in good faith consistent with the purpose and intent of this Agreement and the rights and obligations of the Parties under this Agreement. The LAHD's General Manager shall have the authority to approve revisions to the terms of this Agreement requested in writing by a Permitted Lender or Tax Credit Equity Investor that are not material revisions if he/she reasonably determines that such revisions: (a) are limited to minor, technical or procedural matters; (b) do not increase the amount of the City Rent and debts to the City related to this Agreement, Ground Lease and city Development Documents; (c) do not result in a reduction of equity and loan funds sufficient to complete the Project; (d) do not materially adversely affect the economic feasibility of the Project; (e) do not materially adversely affect City fee title to the Site; (f) do not materially adversely affect the security of the City Leasehold Deed of Trust, if any; (g) do not materially modify the Conditions Precedent to the Close of Escrow; and (h) do not materially reduce any benefit to the City or the public pursuant to this Agreement. The City shall have the right to approve or disapprove such non-material changes in his/her sole discretion, or may refer such decision to LAHD. Material revisions of this Agreement shall require the prior approval of the City.

ARTICLE 10. DEFAULT AND REMEDIES

10.1 Defaults – General.

a. Subject to the extensions of time set forth in Section 11.3 of this Agreement, failure or delay by either Party to perform or to comply with any term or provision of this Agreement shall constitute an Event of Default under this Agreement. The Party who fails or delays must commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.

b. The injured Party shall give written notice of default to the Party in default, specifying the default complained of by the injured Party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of its rights and remedies shall not deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

c. If a monetary Event of Default occurs, prior to exercising any remedies hereunder, the injured Party shall give the Party in default written notice of such default. The Party in default shall have a period of ten (10) Business Days after such

notice is received or deemed received within which to cure the default prior to exercise of remedies by the injured Party.

d. If a non-monetary Event of Default occurs, prior to exercising any remedies hereunder, the injured Party shall give the Party in default notice of such default. If the default is reasonably capable of being cured within twenty (20) Business Days after such notice is received or deemed received, the Party in default shall have such period to effect a cure prior to exercise of remedies by the injured Party. If the default is such that it is not reasonably capable of being cured within twenty (20) Business Days, and the Party in default (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then the Party in default shall have such additional time as is reasonably necessary, but not more than one hundred eighty (180) calendar days, to cure the default prior to exercise of any remedies by the injured Party.

e. If Developer fails to take corrective action or cure the default within a reasonable time, LAHD shall give each Permitted Lender and, as provided in paragraph f., below, the Tax Credit Equity Investor, notice thereof. The Tax Credit Equity Investor may take such action, including removing and replacing the managing member or managing general partner of Developer with a substitute managing member or managing general partner, who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. The City agrees to accept cures tendered by any Permitted Lender or Tax Credit Equity Investor within the cure periods provided in this Agreement, Ground Lease and City Development Documents. Additionally, in the event any Permitted Lender or Tax Credit Equity Investor is precluded from curing a non-monetary default due to a bankruptcy, injunction, or similar proceeding by or against Developer or the managing member or managing general partner of Developer, the City agrees to forbear from completing a foreclosure under this Agreement (judicial or non-judicial) during the period during which the Senior Lender or Tax Credit Equity Investor is so precluded from acting, not to exceed ninety (90) calendar days, provided such Tax Credit Equity Investor and Senior Lender are otherwise in compliance with the foregoing provisions. In no event shall the City be precluded from exercising remedies if its rights become or are about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) calendar days after the first notice of default is given.

f. After Developer gives written notice to the City of the admission to Developer's limited liability company or limited partnership of the Tax Credit Equity Investor, LAHD shall send to the Tax Credit Equity Investor a copy of all notices of default and all other notices that LAHD sends to Developer, at the address for the Tax Credit Equity Investor as provided by written notice to the City by Developer.

10.2 Institution of Legal Actions.

In addition to any other rights or remedies (and except as otherwise provided in this Agreement), either Party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the United States District Court for the Central District of California.

10.3 Applicable Law.

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

10.4 Acceptance of Service of Process.

a. In the event that any legal action is commenced by Developer against the City, service of process on the City shall be made by personal service upon the City Clerk, or in such other manner as may be provided by law.

b. In the event that any legal action is commenced by the City against Developer, service of process on Developer shall be made by personal service upon Developer (or upon the managing member or managing general partner or any officer of Developer) and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

10.5 Rights and Remedies Are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

10.6 Damages.

Subject to the notice and cure provisions of Section 10.1 of this Agreement, if either Party defaults with regard to any of the provisions of this Agreement, the non-defaulting Party shall serve written notice of such default upon the defaulting Party. If the default is not cured within the time provided in Section 10.1 of this Agreement, the defaulting Party shall be liable to the non-defaulting Party for any damages caused by such default, and the non-defaulting Party may thereafter (but not before) commence an action for damages against the defaulting Party with respect to such default. In no event shall the City be liable to Developer for any attorney's fees.

10.7 Specific Performance.

Subject to the notice and cure provisions of Section 10.1 of this Agreement, if either Party defaults with regard to any of the provisions of this Agreement, the non-defaulting Party shall serve written notice of such default upon the defaulting Party. If the default is not cured within the time provided in Section 10.1 of this Agreement, the non-defaulting Party, at its option, may thereafter (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default.

10.8 Termination by Either Party.

Prior to the Close of Escrow, either Party shall have the right to terminate this Agreement, by providing written notice to the other Party, in the event of a failure of any Condition Precedent to the Close of Escrow as set forth in Section 3.1 of this Agreement, provided that such condition is for the benefit of and such failure is outside the control of the Party seeking to terminate this Agreement. Upon such termination, neither the City nor Developer shall have any further rights against or liability to the other under this Agreement, except for indemnification rights that survive termination of this Agreement.

10.9 Termination by the City.

a. Subject to the notice and cure provisions of Section 10.1 of this Agreement, the City shall have the right, prior to the Close of Escrow, to terminate this Agreement by providing written notice to Developer, in the event of a default by Developer or failure of any Condition Precedent to the Close of Escrow, including but not limited to the following:

(1) Developer fails to submit to the City evidence of financing or fails to satisfy any other Condition Precedent to the Close of Escrow, within the time established therefor in this Agreement or the Schedule of Performance; or

(2) Developer (or any successor in interest) assigns or attempts to assign any of Developer's rights in and to the Site or any portion thereof or interest therein, or this Agreement or any portion hereof, except as permitted by this Agreement; or

(3) there is substantial change in the ownership of Developer, or with respect to the identity of the parties in control of Developer, or the degree thereof contrary to the provisions of Section 8.2 of this Agreement; or

(4) Developer fails to submit any of the plans, drawings and related documents required by this Agreement by the respective dates provided in this Agreement therefor; or

(5) there is any other material default by Developer under the terms of this Agreement which is not cured within the time provided herein.

b. After the Close of Escrow but before the issuance of the Certificate of Completion, the City shall have the additional right to terminate this Agreement in the event any of the following defaults shall occur:

(1) Developer fails to commence construction of the Improvements as required by this Agreement and such breach is not cured within the time provided in Section 10.1 of this Agreement, provided that Developer shall not have obtained an extension or postponement to which Developer may be entitled pursuant to Section 11.3 hereof; or

(2) Developer abandons or substantially suspends construction of the improvements and such breach is not cured within the time provided in Section 10.1 of this Agreement, provided Developer has not obtained an extension or postponement to which Developer may be entitled pursuant to Section 11.3 hereof; or

(3) Developer assigns or attempts to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer of the Site, or any part thereof, in violation of this Agreement, and such breach is not cured within the time provided in Section 10.1 of this Agreement; or

(4) Developer otherwise materially breaches this Agreement, and such breach is not cured within the time provided in Section 10.1 of this Agreement.

10.10 Survival.

Upon termination of this Agreement pursuant to this Article 10, all indemnification provisions set forth in this Agreement and any other provisions of this Agreement which by their terms are to survive termination hereof shall survive such termination. This Section 10.10 is for reference purposes only, and does not alter the scope or nature of the surviving provisions.

10.11 Inaction Not a Waiver of Default.

Any failures or delays by either Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

10.12 No Attorneys' Fees.

Should legal action be brought by either Party for breach of this Agreement or to enforce any provision, neither Party in such action shall be entitled to attorneys' fees, court costs and other litigation expenses, including, without limitation, expenses incurred for preparation and discovery, and on appeal.

ARTICLE 11. GENERAL PROVISIONS

11.1 Developer Representations and Warranties.

The Developer represents and warrants to the City, as follows:

a. Organization. The Developer is Venice Dell L.P., a California Limited Partnership, whose managing general partner is Venice Dell GP, LLC, a California Limited Liability Company, whose managing member is Venice Community Housing Corporation, a California Nonprofit Corporation, and whose member is Hollywood Community Housing Corporation, a California Nonprofit Corporation, each of which is duly organized, validly existing and in good standing under the laws of the State of California, with full power and authority to conduct its business as presently conducted and to execute, deliver and perform its obligations under this Agreement.

b. Authorization. The Developer has taken all necessary action to authorize its execution, delivery and, subject to any conditions set forth in this Agreement, performance of the Agreement. Upon the date of this Agreement, this Agreement shall constitute a legal, valid and binding obligation of the Developer, enforceable against it in accordance with its terms.

c. No Conflict. The execution, delivery and performance of this Agreement by the Developer does not and shall not materially conflict with, or constitute a material violation or material breach of, or constitute a default under (i) the charter or incorporation documents of the Developer, (ii) any applicable law, rule or regulation binding upon or applicable to the Developer, or (iii) any material agreements to which the Developer is a party.

d. No Litigation. Unless otherwise disclosed in writing to the City prior to the date of this Agreement, there is no existing or, to the Developer's actual knowledge, pending or threatened litigation, suit, action or proceeding before any court or administrative agency affecting the Developer or, to the best knowledge of the Developer, the Site that would, if adversely determined, materially and adversely affect the Developer or the Site or the Developer's ability to perform its obligations under this Agreement or to develop and operate the Project.

e. Licenses, Permits, Consents and Approvals. Developer and/or any person or entity owning or operating the Site has duly obtained and maintained, or shall duly obtain and maintain, and shall continue to obtain and maintain, all licenses, permits, consents and approvals required by all applicable governmental authorities to own and operate the business on the Site.

11.2 Notices.

Formal notices, demands, and communications between the City and the Developer shall be sufficiently given if, and shall not be deemed given unless given in writing and dispatched by certified mail, return receipt requested, or by electronic facsimile transmission followed by delivery of a "hard" copy, or by personal delivery (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), with a receipt showing date of delivery, to the principal offices of the LAHD and the Developer as follows:

LAHD:	Los Angeles Housing Department 1200 W. 7 th Street, Suite 900 Los Angeles, CA 90017 Attn: General Manager
With copies to:	Los Angeles Housing Department Asset Management Division 1200 W. 7 th Street, Suite 900 Los Angeles, CA 90017 Attn: Asset Manager
Developer:	Venice Community Housing Corporation 200 Lincoln Blvd. Venice, CA 90291 Attention: Rebecca Dennison
With copies to:	Hollywood Community Housing Corporation 5020 Santa Monica Blvd. Los Angeles, CA 90029 Attention: Sarah Letts

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section 11.2. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

11.3 Enforced Delay: Extension of Time of Performance.

a. In addition to specific provisions of this Agreement, the time for performing non-monetary obligations pursuant to this Agreement shall be extended and non-monetary performance by either Party shall not be deemed to be in default where delays are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; quarantine restrictions; freight embargoes; acts of god; severe or unusual shortages of materials or labor; uncommon inclement weather of an extreme or exceptional nature, unavoidable casualty; or court order; or any other similar causes (other than lack of funds of the Developer or the Developer's inability to finance the construction of the Project) beyond the control or without the fault of the Party claiming an extension of time to perform.

b. An extension of time for any such cause (a "Force Majeure Delay") shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within twenty (20) Business Days of knowledge of the commencement of the cause. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until the Party claiming such delay and interference delivers to the other Party written notice describing the following: the event; its cause; when and how such Party obtained knowledge; the date the event commenced; a reasonable causal connection between the event and the need to extend the time of such Party's performance; and the estimated delay resulting from the event. Any Party claiming a Force Majeure Delay shall deliver such written notice within twenty (20) Business Days after it obtains actual knowledge of the event. Times of performance under this Agreement may also be extended in writing by the City and Developer.

11.4 Conflict of Interest.

a. No member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested.

b. Developer warrants that it has not paid or given, and shall not pay or give, any third person any money or other consideration for obtaining this Agreement.

11.5 Non-liability of City Officials and Employees.

No member, official, agent, legal counsel or employee of the City shall be personally liable to Developer, or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer or successor or on any obligation under the terms of this Agreement.

11.6 Inspection of Books and Records.

a. Prior to Completion, the City shall have the right at all reasonable times to inspect the books and records of Developer pertaining to the development of the Site as pertinent to the purposes of this Agreement. Developer shall also have the right at all reasonable times to inspect the books and records of LAHD pertaining to the Site as pertinent to the purposes of this Agreement.

b. In addition, at all times prior to the expiration of the Regulatory Agreement, and/or repayment in full of the City Rent and debts to the City, whichever occurs later, the City shall have the right at all times to inspect the books and records of Developer pertaining to the operation of the Site.

11.7 Approvals.

a. Except as otherwise expressly provided in this Agreement, approvals required of the City or Developer in this Agreement, including the attachments hereto, shall not be unreasonably withheld, delayed or conditioned. All approvals shall be in writing. Failure by either Party to approve or disapprove a matter within the time provided for approval or disapproval of the matter shall not be deemed either approval or disapproval of the matter unless this Agreement specifically provides otherwise. Notwithstanding the foregoing, nothing contained in this Agreement shall restrict or limit the exercise of discretion by the Mayor, City Council or any member of the City Council in approving or disapproving this Agreement or any proposed material revisions or amendments to this Agreement, which approval may be granted or denied in the sole and absolute discretion of the City.

b. Whenever this Agreement calls for City approval, consent, or waiver, the written approval, consent, or waiver of, the LAHD General Manager shall constitute the approval, consent, or waiver of the City, without further authorization required from the City Council and Mayor. The City hereby authorizes the LAHD's General Manager to deliver such approvals or consents as are required by this Agreement, or to waive requirements under this Agreement, on behalf of the City. However, subject to Section 9.7 of this Agreement, any material modification and any amendment to this Agreement shall require approval by the City Council and Mayor.

11.8 Real Estate Commissions.

Neither Developer nor the City shall be liable for any real estate commissions or brokerage fees which may arise from this Agreement. Developer and the City each represents that it has engaged no broker, agent or finder in connection with this Agreement.

11.9 Construction and Interpretation of Agreement.

a. The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each Party has been given the opportunity to independently review this Agreement with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the Party preparing it, and instead other rules of interpretation and construction shall be utilized.

b. If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any Party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible.

c. Any titles of the articles, sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of its provision.

d. References in this instrument to this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) shall mean, refer to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

e. As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

11.10 Time of Essence.

Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Agreement.

11.11 Relationship of the Parties.

Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, or any other similar relationship between the parties hereto or cause the City to be responsible in any way for the debts or obligations of Developer or any other Person.

11.12 Compliance with Law.

Developer agrees to comply with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the development and use of the Site and the Improvements, as well as operations conducted thereon. The judgment of any court of competent jurisdiction, or the admission of Developer or any lessee or permittee in any action or proceeding against them, or any of them, whether the City be a party thereto or not, that Developer, lessee or permittee has violated any such ordinance or statute in the development and use of the Site shall be conclusive of that fact as between the City and Developer and shall therefore allow the City to exercise any and all remedies set forth in the City's Contractor/Developer Responsibility Policy.

11.13 Binding Effect.

This Agreement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

11.14 Rights of Third Parties.

a. Except as otherwise expressly provided in this Agreement and the Regulatory Agreement, this Agreement shall not be deemed to confer any rights upon, nor obligate either of the Parties to this Agreement to any person or entity not a Party to

this Agreement, and the Parties explicitly disclaim any intent to create a third party beneficiary relationship with any person or entity as a result of this Agreement.

b. The City shall be a beneficiary retaining enforcement rights with respect to this Agreement.

c. The covenants and restrictions relating to the Affordable Housing Units set forth in Article 7 of this Agreement and in the Regulatory Agreement shall run with the land and shall be enforceable against any owner of the Site who violates a covenant or restriction and each successor in interest who continues the violation by any of the following:

1. The City;
2. A resident of any of the Affordable Units;
3. A residents' association with members who reside in the Affordable Units;
4. A former resident of an Affordable Unit;
5. An applicant seeking to enforce the covenants or restrictions for a particular Affordable Unit, if the applicant conforms to all of the following:
 - (A) Is of Low or Moderate Income;
 - (B) Is able and willing to occupy that particular Affordable Unit; and
 - (C) Was denied occupancy of that particular Affordable Unit due to an alleged breach of a covenant or restriction set forth in the Regulatory Agreement; and
6. A person on an affordable housing waiting list who is of Low or Moderate Income and who is able and willing to occupy an Affordable Unit.

11.15 Authority to Sign.

Developer hereby represents that the persons executing this Agreement on behalf of Developer have full authority to do so and to bind Developer to perform pursuant to the terms and conditions of this Agreement.

11.16 Use of Project Images.

a. Developer hereby consents to and approves the use by the City of images of the Project, its models, plans and other graphical representations of the Project and its various elements ("Project Images") in connection with marketing, public relations, and special events, websites, presentations, and other uses required by the City in connection with the Project. Such right to use the Project Images shall not be assignable by the City to any other party (including, without limitation, any private party) without the prior written consent of Developer. Developer shall obtain any rights and/or consents from any third parties necessary to provide these Project Image use rights to the City.

b. Any publicity generated by Developer for the Project during the term of the Ground Lease shall make reference to the contribution of the City of Los Angeles in making the Project possible. The words "City of Los Angeles" shall be prominently displayed in any and all pieces of publicity, including but not limited to flyers, press releases, posters, signs, brochures, public service announcements, interviews and newspaper articles. Developer further agrees to cooperate with authorized staff and officials of the City in any City-generated publicity or promotional activities undertaken with respect to the Project.

11.17 Plans and Data.

If Developer does not proceed with the lease or development of the Site, or if this Agreement is terminated for any reason, other than the breach of this Agreement by the City, Developer shall deliver to the City, without cost or expense to the City, any and all plans, drawings, studies, designs, reports, surveys, and data pertaining to the site and its development (collectively, "Site Designs") which are in the possession of Developer, together with a Bill of Sale therefor, which Site Designs shall thereupon be the sole property of the City, free of all claims or interests of Developer or any other person; and which the City may use, grant, license or otherwise dispose of to any person for development of the Site or any other purpose. To secure the obligations set forth in this Section and as a condition precedent to the execution of the Ground Lease, Developer shall execute and cause its architect and contractor, as the case may be, and shall deliver to the City an Assignment of Agreements, Plans, Specifications and Entitlements substantially in the form of the instrument attached to this Agreement as **Exhibit G** to Part I of Exhibits.

11.18 Applicable Law.

A. This Agreement shall be interpreted under and pursuant to the laws of the State of California. The Developer shall carry out the administration of this Agreement and the construction and operation of the Project, in conformity with all applicable laws, to the extent they may apply, including, but not

limited to the following applicable federal and state laws, as may be amended from time to time:

1. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended, 42 U.S.C. §3601, *et seq* and implementing regulations at 24 C.F.R. Part 100, *et seq*, including, without limit, the design and construction requirements set forth in 42 U.S.C. §3604(f)(3) and the corresponding rules of HUD.
2. Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 C.F.R. Part 107.
3. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4)(Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 C.F.R. Part 1; and its implementing regulations and as applied through Executive Order No. 13166, entitled "Improving Access to Services for Persons with Limited English Proficiency" ("LEP"), which requires recipients of federal funds, including Developer, to take reasonable steps to insure meaningful access to its programs and activities by persons with LEP as more fully described in HUD's final guidance contained in Federal Register, Volume 72, No. 13.
4. Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, 42 U.S.C. 2000e.
5. Title IX of the Education Amendments of 1972, as amended (20 USC §1681-§1683, and §1685-§1686).
6. Drug Abuse Office and Treatment Act of 1972, P.L. 92-255, as amended, relating to nondiscrimination on the basis of drug abuse.
7. Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616 as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.
8. Public Health Service Act of 1912, 42 USC 290 dd-3 and 290 ee-3, as amended, relating to confidentiality of alcohol and drug abuse patient records.
9. Genetic Information Nondiscrimination Act of 2008 (GINA) P.L. 110-233

10. The Age Discrimination Act of 1975, 42 U.S.C. 6101-07, and implementing regulations at 24 CFR Part 146.
11. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 and implementing regulations at 24 C.F.R. Part 8, including the design and construction requirements of the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40 or any other applicable or successor design and construction requirements.
12. Architectural Barriers Act of 1968, 42 U.S.C. 4151-4157.
13. Americans With Disabilities Act 42, U.S.C. 12101 *et seq.*, its implementing regulations at 28 CFR Part 35, and the Americans with Disabilities Amendments (ADAAA) Pub. L. 110-325 and all subsequent amendments, including the 2010 Standards for Accessible Design as defined in 28 C.F.R. § 35.104 and as applied to public entities (excluding any elevator exceptions).
14. Alternative Accessibility Standard for new construction per HUD's Notice at 79 Fed. Reg. 29,671 (May 23, 2014).
15. Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4821-4826 and implementing regulations at 24 CFR Part 35.
16. Executive Order 12372 and implementing regulations at 24 CFR Part 52.
17. Flood Disaster Act of 1973, 42 U.S.C. 4001, *et seq.*
18. Wild and Scenic Rivers Act of 1968, 16 U.S.C. 1271, *et seq.*
19. Federal Water Pollution Control Act, 33 U.S.C. 1251 *et seq.*
20. Drug Free Workplace Act of 1988, 41 U.S.C. 701 *et seq* and HUD's implementing regulations at 2 C.F.R. part 2429; 28 C.F.R. Part 83; California Drug-Free Workplace Act of 1990, California Government Code Section 8350-8357.
21. Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, 42 U.S.C. 4601, *et seq.* and 24 CFR Part 42.

22. Office of Management and Budget ("OMB") Circulars: OMB Circular A-21 (Cost Principles for Educational Institutions); OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments); OMB Circular A-110 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations); OMB Circular A-122 (Cost Principles for Non-Profit Organizations); OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations), and as codified in 2 CFR part 200 and 2 CFR part 2400.
23. Hatch Act, 5 U.S.C. 1501-1508 and 7324-7328
24. Copeland Act, 40 U.S.C. 276c and 18 U.S.C. 874
25. Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-333.
26. Federal Fair Labor Standards Act, 29 U.S.C. 201
27. Pursuant to California Government Code Section 16645, *et seq*, none of the funds shall be used to promote or deter Union/Labor organizing activities.
28. California Child Abuse and Neglect Reporting Act, California Penal Code Section 11164 *et seq.* and specifically Sections 11165.7, 11165.9, and 11166.
29. Section 106 of the National Historic Preservation Act of 1966, as amended, 16 U.S.C. 470, EO 11593, and the Archaeological and Historic Preservation Act of 1974, 16 U.S.C. 469A-1 *et seq.*
30. Project requirements in 92 C.F.R. Part 92, Subpart F, as applicable in accordance with the type of project assisted under HOME Funds.
31. The Housing and Community Development Act of 1974, 42 U.S.C. 5301, *et seq.*
32. Uniform Administrative requirements in 24 C.F.R. Part 84 and as described in OMB Circular A-122.
33. Community Housing Development Organization requirements in 24 C.F.R. Sections 92.300, 92.301 and 92.303.
34. Eligible Community Development Block Grant Program activities under 24 C.F.R. Sections 570.200-570.207.

35. Measure JJJ of the November 8, 2016 Los Angeles City Special Municipal Election, Section 5 Affordable Housing and Good Jobs (to be codified in Sections 11.5.11 of the Los Angeles Municipal Code and Section 5.522 of the Los Angeles Administrative Code).
- B. Developer must comply with Public Law 103-227, Part C—Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), if applicable. This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or indirectly or through State and local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees and contracts. The law does not apply to children’s services provided in private residences, facilities funded solely by Medicare or Medicaid funds and portions of facilities used for inpatient drug and alcohol treatment. Developer further agrees that the above language will be included in any subcontracts that contain provisions for children’s services and that all subcontractors shall certify compliance accordingly.
- C. Developer acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the City under the False Claims Act (Cal. Gov. Code §§12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claims.
- D. The Developer shall carry out the construction and operation of the Project in conformity with all applicable laws and the requirements of the City, including all applicable federal, state and local labor standards. The Developer shall be responsible for complying with all applicable City, County and State building codes, and planning and zoning requirements, and shall take all necessary steps so that the development of the Property and the construction, use, operation, and maintenance of the Project thereon in accordance with the provisions of this Loan Agreement shall be in conformity with applicable zoning and General Plan requirements, and that all applicable environmental mitigation measures and other requirements shall have been complied with.

11.19 Severability.

If any term, provision, covenant or condition of this Agreement is held in a final disposition by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect unless the rights and

obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

11.20 Binding Upon Successors: Covenants to Run With Land.

a. This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and assigns of each of the Parties; provided, however, that there shall be no Transfer except as permitted in Article 8. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any successor, heir, administrator, executor, successor, or assign of such Party who has acquired an interest in compliance with the terms of this Agreement or under law.

b. The terms of this Agreement shall run with the land, and shall bind all successors in title to the Site until the termination of this Agreement, except that the provisions of this Agreement that are specified to survive termination of this Agreement shall run with the land in perpetuity and remain in full force and effect following such termination. Every contract, deed, or other instrument hereafter executed covering or conveying the Site or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases the Site or the applicable portion of the Site from the requirements of this Agreement.

11.21 Effectiveness of Agreement.

This Agreement is dated for convenience only and shall only become effective on the Effective Date.

11.22 Amendments.

This Agreement may be amended only by means of a writing signed by all Parties.

11.23 Police Power.

Nothing contained herein shall be deemed to limit, restrict, amend or modify, nor to constitute a waiver or release of, any ordinances, notices, orders, rules, regulations or requirements (now or hereafter enacted or adopted and/or as amended from time to time) of the City, its departments, commissions, agencies and boards and the officers

thereof, including, without limitation, any redevelopment plan or general plan or any zoning ordinances, or any of City's duties, obligations, rights or remedies thereunder or pursuant thereto or the general police powers, rights, privileges and discretion of City in the furtherance of the public health, welfare and safety of the inhabitants thereof, including, without limitation, the right under law to make and implement independent judgments, decisions and/or acts with respect to planning, development and/or redevelopment matters (including, without limitation, approval or disapproval of plans and/or issuance or withholding of building permits) whether or not consistent with the provisions of this Agreement, any Exhibits attached hereto or any other documents contemplated hereby ("City Rules and Powers"). In the event of any conflict, inconsistency or contradiction between any terms, conditions or provisions of this Agreement, Exhibits or such other documents, on the one hand, and any such City Rules and Powers, on the other hand, the latter shall prevail and govern in each case. This Section shall be interpreted for the benefit of City.

11.24 Brokers.

The City and Developer each represents that it has not engaged any broker, agent or finder in connection with this transaction. Developer agrees to defend, indemnify and hold the City and all of the City's Representatives harmless from and against any Losses and Liabilities with respect to such commissions based upon the alleged acts of Developer. The City agree to defend, indemnify and hold Developer harmless from and against Losses and Liabilities with respect to such commissions based upon the alleged acts of the City. The indemnity obligations set forth in this Section shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent, termination of the Regulatory Agreement, withdrawal of the Notice of Affordability Restrictions and the termination of this Agreement.

11.25 Submittals and Approvals.

Various submittals are required by the Developer pursuant to this Agreement. To the extent expressly provided by this Agreement, the City shall approve or disapprove certain submittals from Developer within specified timeframes.

11.26 Incorporation by Reference.

Each of the attachments and exhibits attached hereto as part of Part I of Exhibits, and/or delivered to Developer as part of Part II of Exhibits is incorporated herein by this reference as though fully set forth herein.

11.27 Counterparts.

This Agreement may be executed by each Party on a separate signature page, and when the executed signature pages are combined, shall constitute one single

instrument. Unless otherwise prohibited by law or City policy, an electronic or scanned signature shall have the same force and effect as an original ink signature. For the purposes of this Agreement, "electronic signature" is an electronic identifier, created by computer, attached or affixed to or logically associated with an electronic record, executed or adopted by a person with the intention of using it to have the same force and effect as the use of a manual signature, and "scanned signature" is a manual signature that has been placed on a document that has been scanned into an electronic record.

11.28 Entire Understanding of the Parties.

This Agreement constitutes the entire understanding and agreement of the Parties with respect to the matters contained herein and supersedes any prior memoranda of understanding, negotiation agreement or commitment letter.

11.29 Approval Procedure.

Execution and delivery of this Agreement by Developer shall constitute Developer's offer to enter into this Agreement with the City. Following receipt of the executed Agreement, this Agreement shall not be effective unless approved by the City Council and Mayor, and executed by the LAHD General Manager or designee. This Agreement must be authorized, executed and delivered by LAHD within seventy-five (75) calendar days after date of signature by Developer or Developer may withdraw its offer to enter into the Agreement upon written notice to the City. The effective date of this Agreement shall be the date when this Agreement has been executed by the City.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties have executed this DDA Agreement as of the date first above written.

"LAHD"

LOS ANGELES HOUSING DEPARTMENT

By: Daniel Huynh
Digitally signed by Daniel Huynh
Date: 2022.06.29 19:00:00 -0700
DANIEL HUYNH
Assistant General Manager

Dated: 6/29/2022

APPROVED AS TO FORM:
MICHAEL N. FEUER,
CITY ATTORNEY

By: ANNA DIOBALI / MICHAEL
Deputy City Attorney
Dated: 6.30.22

ATTEST:
HOLLY WOLCOTT, City Clerk

By: [Signature]
Deputy City Clerk


Date: 6/30/2022

“DEVELOPER”


Venice Dell L.P., a California Limited Partnership

By: Venice Dell GP, LLC, a California Limited Liability Company
Its: Managing General Partner

By: VENICE COMMUNITY HOUSING CORPORATION,
a California nonprofit corporation
Its: Managing Member


By: 
Rebecca Dennison
Executive Director

Dated: 6/28/22


By: 
Steve Diaz
Secretary

Dated: 6/28/22

By: HOLLYWOOD COMMUNITY HOUSING CORPORATION,
a California nonprofit corporation
Its: Member

By: 
Sarah Letts
Executive Director

Dated: 6/28/22

By: 
Rayne Laborde Ruiz
Secretary

Dated: 06.28.2022

Note: DDA Exhibits were removed due to file size and need to be <5 MB for posting for 10/1/25 H&H Committee meeting.

EXHIBIT B

May 20, 2025

t 310.229.0373
f 310.229.9901
DSSilverman@Venable.com

VIA FEDERAL EXPRESS

The Hon. Karen Bass
Mayor, City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

Tiena Johnson Hall
General Manager
Los Angeles Housing Department
1910 W. Sunset Blvd, Suite 300
Los Angeles, CA 90026

VIA USPO – PRIORITY MAIL – EXPRESS

City of Los Angeles
Housing and Community Investment Department
P.O. Box 532729
Los Angeles, CA 90053-2729
Attention: Asset Management

Re: Notice of City's Default under Disposition and Development Agreement

Dear Hon. Mayor Bass and Ms. Hall:

We write on behalf of Venice Community Housing Corporation (VCH) and Hollywood Community Housing Corporation (HCH), regarding the Venice Dell Community (Venice Dell or Project). Venice Dell is a 100% affordable housing and permanent supportive housing development to be constructed on a City-owned parking lot (Lot #731) at 200 North Venice Boulevard, Venice, California 90291 (Site) that the Los Angeles City Council unanimously approved on December 1, 2021.¹ On June 30, 2022, the City of Los Angeles (City) entered into a Disposition and Development Agreement (DDA or Agreement) with Venice Dell, L.P., the Project's ownership entity formed by VCH and HCH, for the purpose of pursuing the Project. The Project as amended through the California Coastal Commission's approval on December 11,

¹ Further action was taken by City Council on the Project in June 2022, including to correct map exhibits contained in the prior City Council approvals.

May 20, 2025

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2024, will include 120 affordable residential units to be occupied by 68 households who previously experienced homelessness, 49 low-income households, and 3 onsite resident managers.

The City has impermissibly breached the DDA. This letter documents the ways in which the City has unreasonably withheld, delayed, or conditioned required approvals and actions, in violation of Section 11.7(a) of the DDA, and has failed to act in good faith to perform its contractual obligations.

The DDA Requires the City to Promptly Issue Approvals for the Project.

The DDA sets out the parties' agreement for the construction of Venice Dell. In executing the DDA, the City agreed:

- The "disposition, development, financing and use of the Site pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City of Los Angeles and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements." DDA, § 1.1(a) at 1.
- "The City's conveyance of a leasehold interest in the Site to the Developer for the development of the Site pursuant to this Agreement is in the vital and best interests of the Project Area and the health, safety, morals and welfare of the residents therein, and is in accord with the public purposes and provisions of applicable state and local laws." DDA, § 1.1(f) at 3.
- "The City intends by this Agreement to cause the redevelopment of the site to occur and to preserve and improve the community's supply of affordable housing for Moderate, Low, and Very Low Income households." DDA, § 1.1(g) at 3.
- The City would "obtain valuable benefits from this Agreement" and that "in entering into this Agreement, each Party is relying on the performance of the other Party." DDA, § 1.1(h) at 3.

The DDA requires the City to expeditiously issue the approvals required for the Project. Specifically, approvals required of the City in the Agreement and its attachments "shall not be unreasonably withheld, delayed, or conditioned." DDA, § 11.7(a) at 80. The City explicitly authorized "LAHD's General Manager to deliver such approvals or consents as are required by the Agreement" without "further authorization required from the City Council and Mayor." DDA, § 11.7(b) at 80. The City also agreed that "[t]ime is of the essence with respect to the performance of each of the covenants and agreements contained in this Agreement." DDA, § 11.10 at 82.

May 20, 2025

Page 3

Failure or delay to perform or comply with any term of the DDA constitutes default, and the defaulting party “must commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.” DDA, § 10.1(a) at 72.

The City has Repeatedly Defaulted on its Obligations.

Initially after executing the DDA, Venice Dell, L.P., VCH, and HCH (collectively, Affordable Housing Developers, or Developer) and the City worked together to move the Project forward. The Affordable Housing Developers have continued to diligently pursue approvals required and performed their obligations under the Agreement. But in early 2023, the City began taking steps to obstruct and delay the Project. The first indication that the City intended to violate the DDA occurred in March 2023, when most City staff stopped responding to Developer emails. In April 2023, the Affordable Housing Developers were advised by City staff that they had been instructed to cease communications regarding the Project. City staff referred the Developers to Chief Assistant City Attorney John Heath, who, despite repeated requests, did not authorize a resumption of work in accordance with the DDA. In August 2023, an employee of the Mayor’s office authorized City staff to commence work, however, obstructionist actions continued to occur at the direction of the City Attorney’s office.

The City’s pattern of obstructive conduct continues to this day. Pursuant to § 10.1 of the DDA, Affordable Housing Developers give notice that the City is in default of its obligations under the Agreement. The City’s acts of default include, but are not limited to:

1. Ultra vires “denial” by the Los Angeles Board of Transportation (Board).

a. Background to selection of Lot 731 for affordable housing.

In 2016, in response to a multi-decade affordability and homelessness crisis, the City adopted a Comprehensive Homeless Strategy. The goal was to dramatically expand the amount of affordable housing in the City to mitigate the homelessness crisis. The Comprehensive Homeless Strategy found that it is necessary for the City to consider putting underutilized City properties to work as affordable and supportive housing. In response, in 2016, the City Administrative Officer launched the Affordable Housing Opportunity Sites (AHOS) initiative and conducted initial reviews of City-owned properties, including unimproved or underused parking lots, to determine which properties could be utilized for supportive housing developments. Through the AHOS process, the City identified an underutilized asphalt parking lot in Venice, Lot 731, as a suitable site for affordable housing.

On July 25, 2016, the Office of the City Administrative Officer sought proposals to develop an affordable housing project on Lot 731. Affordable Housing Developers and others responded with a proposal for a supportive housing project at the site and, in December 2016, the

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City Council unanimously voted to enter into an exclusive negotiating agreement with Affordable Housing Developers. Affordable Housing Developers spent over eight years advancing the Project, conducting substantial community engagement through a variety of methods throughout the design, application, and public hearing processes. Affordable Housing Developers incorporated community feedback into the design and development process, seeking to create a Project that would center and serve the Venice community.

b. The City Council and Coastal Commission approve the Project.

On December 1, 2021, the City Council unanimously approved the Project, including a Coastal Development Permit (CDP), Site Plan Review, Vesting Tentative Tract Map, Vesting Zone Change and Height District Change, and Specific Plan Amendment, among other approvals.² On June 15, 2022, the City Council approved the DDA for the Project.

The City's approval of the Project's CDP in December 2021 was appealed to the California Coastal Commission. For the next three years, Affordable Housing Developers worked closely with the Coastal Commission to ensure the Project aligned with the Coastal Commission's aims of protecting coastal resources and safeguarding public access to the California coast. Coastal Commission staff conducted an extensive, multi-year review process of the Project. During this time, neither the Commission nor the City suggested that Lot 731 was not suitable for housing, nor did they suggest that a different parking lot would be more suitable. Moreover, neither the City nor the Commission suggested that Lot 731 should be used for a transportation hub.

At a hearing on December 11, 2024, the Coastal Commission unanimously approved the Project. The Coastal Commission determined the Project promotes public access by increasing available parking and providing housing opportunities in a high-demand coastal area. Indeed, Venice has a severe housing shortage, with only 70 affordable housing units permitted from 2009 to 2020.

c. The Board intervenes in an apparent attempt to undercut the authority of the City Council.

However, on December 5, 2024, the Board noticed a Special Meeting for December 10, 2024 to consider "The Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing." Despite the fact the Board had a regular meeting scheduled on December 12, 2024, it deliberately scheduled the Special Meeting one day before the Coastal Commission was due to consider the Project.

² Further action was taken by City Council on the Project in June 2022, including to correct map exhibits contained in the prior City Council approvals.

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Before the Special Meeting, the Los Angeles Department of Transportation (LADOT) sent the Board a report recommending that the Board: (i) not authorize the use of Lot No. 731 for the Project; and (ii) recommend that the Los Angeles Housing Department (LAHD) determine the feasibility of relocating the Project to a different lot. This was contrary to prior approvals from City Council. After the City's years of cooperation with Affordable Housing Developers and successive approvals of the Project, this LADOT report was the first public, official action by the City against the Project.

There was no process for the Board to act on the Project in this way. The Board is granted authority by the Los Angeles Administrative Code (LAAC) over "coordinating, directing, and managing all matters respecting the acquisition, and thereafter management, of all public off-street parking places by the City except for those parking facilities which are under jurisdiction or control of departments controlling their own funds," among other traffic and parking-related duties, LAAC § 22.484.(g)(2)(A)(7). The Board has an advisory relationship to the General Manager of LADOT, LAAC § 22.484.(g)(1). However, no Project component was before the Board for consideration when the Special Meeting was scheduled. This was simply an *ultra vires, sua sponte* action intended to undermine the existing Project approvals.

On December 3 and 9, 2024, counsel for the Developers wrote to the Board, clarifying the Board's limited role in the Project and expressing concern over the Special Meeting, given that no Project component was before the Board. Developers urged the Board to take no action at the Special Meeting.

At the Special Meeting, the Board considered issues outside the scope of its authority, including the Project's potential impacts on parking, affordable housing, and public access. The Board is not charged with protecting—or even analyzing—public access, nor is it charged with regulating affordable housing. The Board voted to adopt LADOT's recommendations, in a transparent and unlawful attempt to undo the valid City approvals and entitlements that have been issued for the Project.

2. Obstruction of the Coastal Commission process.

The City substantially delayed and continues to interfere with the Coastal Commission's consideration of the Project, and even urged the Coastal Commission to deny approval of the Project. Namely, for over two years, the City consistently delayed in answering or simply failed to answer questions posed by Coastal Commission staff. For example, the City never responded to one of the Coastal Commission's Notices of Incomplete Application. The Coastal Commission proceeded to approve the Project, despite the City's obstruction.

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On December 11, 2024, the Coastal Commission had a public hearing scheduled to review the Project's City-approved Coastal Development Permit, Coastal Commission Coastal Development Permit, and request for a Land Use Plan amendment. In advance of that hearing, City Attorney Feldstein Soto sent a letter dated November 26, 2024 to the Commissioners, personally recommending that the Commission "defer its decision" or "deny the Application at this time."

During the Coastal Commission's public hearing on December 11, 2024, representatives from the City's Planning Department did not speak to the Commission, as is the normal process. Instead, John Heath participated remotely and effectively claimed that, due to the Board's vote the day before, the Project was dead and there was nothing for the Commission to consider. These comments illustrate that the Board's hasty, ultra vires vote to decline the use of Lot #731 for affordable housing was a transparent pretext to oppose the Project before the Coastal Commission. The Coastal Commissioners unanimously approved the Venice Dell project, with modifications. The Commission determined the Project promotes public access by increasing available parking and providing housing opportunities in a high-demand coastal area, where only 70 affordable housing units were permitted from 2009 to 2020.

In January 2025, Coastal Commission staff notified the City that the City has six months from the date of the Coastal Commission hearing on December 11, 2024 to affirm amendments made by the Commission to the Project, or per the regulations the City may request a 12-month extension. The City has not taken steps to adopt the modifications, or request an extension of time despite multiple requests to the Planning Department that the matter be placed on the agenda for the Los Angeles City Council.

3. Unreasonable and chronic delays of Project approvals.

In addition to the above violations, the City has unreasonably delayed and obstructed other approvals required under the DDA, including:

- Refusal to process the Ellis Act Application. The City has refused to process an application to relocate the four existing households at Site and remove the units from the rental market in order to build Venice Dell. The Affordable Housing Developers first submitted this application to the City in January 2023. Up through October 2024, the Developers did everything necessary to prepare and update an accurate and complete Ellis Application, but LAHD refused to sign the application because of obstructionist practices by the City.

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- Slow progress, and for certain periods of time no progress, on the public parking structure contract. The City has stopped work twice on the contract for the Project's public parking, which the DDA states will be separately documented between LADOT and Affordable Housing Developers. The first time was during the work stoppage mandated by John Heath in April 2023 and the second time was after the BOTC hearing in December 2024.
- Lack of progress on the ground lease. The Agreement contemplates the parties will enter into a ground lease for the Site. Despite repeated requests from Affordable Housing Developers, the City has not engaged with Developers regarding the drafting and execution of the ground lease.
- Failure to extend funding award. The Project was admitted to the City's Affordable Housing Managed Pipeline (AHMP) in 2022 and received an award letter for \$6.3 million in funding. During the fall of 2024 and winter of 2025, the Developers repeatedly asked LAHD to extend the award letter, which was set to expire on January 31, 2025. During a virtual meeting on January 23, 2025, LAHD Director Elizabeth Selby stated to Affordable Housing Developers that the extension of the \$6.3M funding award for Venice Dell was in the LAHD Transmittal that would ultimately go to City Council for approval, but when the LAHD Transmittal was finally made public, Venice Dell had been stripped from it. VCH and HCH have subsequently requested an extension of the \$6.3M funding award, but have not yet received the extension.
- Failure to move forward with funding opportunity. VCH and HCH were working with LAHD to proceed with an Affordable Housing and Sustainable Communities (AHSC) funding application to the State of California. At the direction of LAHD, Affordable Housing Developers reached out to Council Office 11 to discuss potential bicycle and traffic calming improvement ideas on April 3 and April 16, 2025. On May 1, 2025, Craig Bullock, Planning Deputy for CD 11, responded that the Project will not be moving forward due to the Board's decision, and therefore there was no reason to engage regarding AHSC.

Not only has the City demonstrably failed to issue the approvals required of it under the DDA, it is actively working to undermine the Project's very existence. All votes by the City Council, the legitimate governing body, have directed City staff to move forward with this Project, yet that directive is being ignored and subverted. This pattern of willful obstruction constitutes default under the DDA and also violates the City's duty of good faith and fair dealing in the performance of its contractual obligations.

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Unless the City Remedies its Defaults, Affordable Housing Developers will Incur Significant Damages.

Section 10.1(a) of the DDA provides that failure or delay to perform or comply with any term of the DDA constitutes default, and the defaulting party “must commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.” DDA, § 10.1(a) at 72.

Affordable Housing Developers request that the City immediately reverse course and work with them to progress the required approvals for the Project. The City must initiate corrective actions without delay, including but not limited to: adopting the Coastal Commission’s suggested modifications (or requesting an extension of time); unwinding the Board’s unlawful disapproval of the Project; processing the Ellis Act application; finalizing and executing the public parking structure contract; approving the ground lease; resuming work on the AHSC funding application; and extending the \$6.3 million loan that was previously awarded.

If the City does not remedy its defaults, Affordable Housing Developers will incur significant monetary damages, including in actual costs, developer fees to be received for 9 years of working in good faith, and the opportunity cost of not pursuing other projects. Developers’ damages would be in excess of \$10 million. If the City continues to violate the DDA, Developers will pursue the City for full payment of these damages.

Monetary damages aside, there is a very real human cost to the City’s default. The Project will provide desperately needed affordable housing, in a neighborhood that has priced out minority and low income communities. While the City plays political games to obstruct the Project, tens of thousands of unhoused people remain on the streets. In executing the DDA, the City recognized the Project is “in the vital and best interests of the City of Los Angeles and the health, safety, morals, and welfare of its residents” and committed to issuing the required Project approvals. The City must make good on its commitments.

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Please get back to us by **May 30, 2025**, regarding what action you intend to take. If the City does not agree to take immediate corrective action, Affordable Housing Developers intend to promptly file suit to enforce the DDA.³

Sincerely,


Daniel S. Silverman

³ Although not required by the DDA or statute, for the avoidance of doubt Affordable Housing Developers have also provided notice of its claims under the Government Claims Act in parallel with this notice of default.

Communication from Public

Name:

Date Submitted: 09/30/2025 02:35 PM

Council File No: 15-1138-S42

Comments for Public Posting: Hello, I wish to submit the following document regarding the Venice Dell Community development on Lot 731 (2 of 5): *
BOTC Abuse of Discretion Writ

Electronically FILED by
Superior Court of California,
County of Los Angeles
3/07/2025 4:43 PM
David W. Slayton,
Executive Officer/Clerk of Court,
By S. Ruiz, Deputy Clerk

1 LEGAL AID FOUNDATION OF LOS ANGELES
Anna Hales, SBN: 341674
2 ahales@lafla.org
7000 S. Broadway
3 Los Angeles, CA 90003
Tel.: (213) 640-3890
4 Fax: (323) 301-4676

5 Kevin F. Mitchell, SBN: 302020
kfmitchell@lafla.org
6 1149 3rd Street, Suite 300
Santa Monica, CA 90403
7 Tel: (323) 801-7968
8 Fax: (310) 458-2140

9 Attorneys for

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

12 VENICE COMMUNITY HOUSING
CORPORATION and HOLLYWOOD
13 COMMUNITY HOUSING CORPORATION,

Petitioners

14 v.

17 THE LOS ANGELES BOARD OF
TRANSPORTATION COMMISSIONERS
18 and THE CITY OF LOS ANGELES, a
municipal corporation,
19

20 Respondents.
21

Case No.: - **25STCP00892**

**VERIFIED PETITION FOR WRIT OF
MANDATE**

22 Pursuant to California Civil Code sections 1085 and 1094.5, Petitioners Venice Community
23 Housing Corporation (“VCHC”) and Hollywood Community House Corporation (“HCHC”)
24 (collectively, the “Affordable Housing Developers”) petition this Court for a writ of mandate directed to
25 Respondent the City of Los Angeles and Respondent the Los Angeles Board of Transportation
26 Commissioners (“BOTC”), vacating the BOTC’s ultra vires actions at the Special Meeting on December
27 10, 2024 (the “Ultra Vires Actions”) because they exceeded the BOTC’s scope of authority. By this
28 verified Petition, Affordable Housing Developers allege as follows:

INTRODUCTION

1
2 1. The Venice Dell Community Affordable Housing Project (the “Project”) is a vital
3 supportive housing project to construct affordable, supportive housing units and replacement public
4 parking spaces on an undeveloped and underutilized municipally owned parking lot: Lot. 731. Lot 731
5 is located in Venice, California, an area with astronomical housing costs, a lack of affordable housing,
6 and a high rate of homelessness.

7 2. California is suffering from a severe, multi-decade housing crisis, and nowhere is this
8 crisis felt more acutely than in the City of Los Angeles (“City”). In approving the Project, the City
9 Council affirmed that California is in the midst of an affordable housing crisis, and that Los Angeles
10 County is the least affordable county for housing in the state. As a result, there has been an explosion in
11 the number of unhoused individuals living in Los Angeles. The homelessness crisis in Southern
12 California has reached a state of emergency, with tens of thousands of individuals experiencing
13 homelessness in the City alone. A substantial concentration of homelessness is experienced in Venice.

14 3. In 2016, in response to this multi-decade affordability and homelessness crisis, the City
15 adopted a Comprehensive Homeless Strategy. The goal was to dramatically expand the amount of
16 affordable housing in the City to mitigate the homelessness crisis. The Comprehensive Homeless Strategy
17 found that it is necessary for the City to consider putting underutilized City properties to work as
18 affordable and supportive housing.

19 4. In response, in 2016, the City Administrative Officer launched the Affordable Housing
20 Opportunity Sites (“AHOS”) initiative and conducted initial reviews of City-owned properties, including
21 unimproved or underused parking lots, to determine which properties could be utilized for supportive
22 housing developments. Through the AHOS process, the City identified an underutilized asphalt parking
23 lot in Venice, Lot 731, as a suitable site for affordable housing.

24 5. On July 25, 2016, the Office of the City Administrative Officer sought proposals to
25 develop an affordable housing project on Lot 731. Affordable Housing Developers and others responded
26 with a proposal for a supportive housing project at the site and, in December 2016, the City Council
27 unanimously voted to enter into an exclusive negotiating agreement with Affordable Housing
28 Developers.

1 6. Affordable Housing Developers spent over eight years advancing the Project, conducting
2 substantial community engagement through a variety of methods throughout the design, application, and
3 public hearing processes. Affordable Housing Developers incorporated community feedback into the
4 design and development process, seeking to create a Project that would center and serve the Venice
5 community.

6 7. On December 1, 2021, the City Council unanimously approved the Project, including a
7 Coastal Development Permit (“CDP”), Site Plan Review, Vesting Tentative Tract Map, Vesting Zone
8 Change and Height District Change, and Specific Plan Amendment, among other approvals.¹ On June
9 15, 2022, the City Council approved a Disposition and Development Agreement (“DDA”) for the Project.
10 The DDA is a binding contract that outlines the development of the Project site, mandates the execution
11 of the ground lease for the construction and management of the Project, and describes the requirement
12 for the Affordable Housing Developers and City to enter a public parking agreement at a future time.
13 These approvals were upheld in litigation last year.²

14 8. The City’s approval of the Project’s CDP in December 2021 was appealed to the
15 California Coastal Commission. For the next three years, Affordable Housing Developers worked closely
16 with the Coastal Commission to ensure the Project aligned with the Coastal Commission’s aims of
17 protecting coastal resources and safeguarding public access to the California coast.

18 9. Coastal Commission staff conducted an extensive, multi-year review process of the
19 Project. At a hearing on December 11, 2024, the Coastal Commission unanimously approved the Project.
20 The Coastal Commission determined the Project promotes public access by increasing available parking
21 and providing housing opportunities in a high-demand coastal area where only 70 affordable housing
22 units were permitted from 2009 to 2020.

23 10. Despite these extensive approvals issued by the City Council, the Board of Transportation
24 Commissioners intervened in an apparent attempt to undercut the authority of the City Council. The
25

26 ¹ Further action was taken by City Council on the Project in June 2022, including to correct map exhibits
contained in the prior City Council approvals.

27 ² *Coalition for Safe Coastal Development et al. v. City of Los Angeles et al.*, LASC Case Nos. 22STCV00162,
28 22STCV03626 (May 21, 2024); *Coalition for Safe Coastal Development v. City of Los Angeles et al.*, LASC Case
No. 22STCP03359 (July 11, 2024).

1 BOTC is a City commission charged with management of municipal parking lots. While none of the
2 Project components were before the BOTC at the time, on December 5, 2024, the BOTC deliberately
3 noticed a Special Meeting for December 10, 2024—the day before the Coastal Commission was already
4 scheduled to review the Project’s City-approved CDP, Coastal Commission CDP, and request for a Land
5 Use Plan amendment at a public hearing. The BOTC agenda item was, in its entirety, “The Proposed
6 Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing.”

7 11. Before the BOTC meeting, the Los Angeles Department of Transportation (“LADOT”)
8 sent the BOTC a report with two recommendations: (i) Not to authorize the use of Lot No. 731 for the
9 affordable housing project; and (ii) Recommend that the Los Angeles Housing Department (“LAHD”)
10 determine the feasibility of relocating the proposed affordable housing project to Lot No. 701. After years
11 of cooperation between Affordable Housing Developers and the City, this LADOT report was the first
12 public, official action by the City against the Project.

13 12. On December 10, 2024, only one day before the Coastal Commission hearing, the BOTC
14 convened its Special Meeting to discuss the Project. Over 100 people attended the Special Meeting. At
15 the conclusion of that meeting, the BOTC voted to adopt the LADOT recommendations, supplanting and
16 ignoring the extensive review and decision-making conducted by the City, Coastal Commission, and
17 LAHD. The BOTC’s Ultra Vires Actions against the Project directly conflicted with the will of the City
18 Council expressed through its approval of the Project’s entitlements years before.

19 13. The BOTC’s Ultra Vires Actions were unlawful—exceeding the scope of the BOTC’s
20 legal authority and contradictory to the evidence in the administrative record. Affordable Housing
21 Developers accordingly file this Petition seeking to vacate the BOTC’s unsupported Ultra Vires Actions.

22 **PARTIES**

23 14. Petitioner Venice Community Housing Corporation (“VCHC”) is a 501(c)(3) non-profit
24 public benefit corporation organized under the laws of California. VCHC was selected by, and has
25 contracted with, the City of Los Angeles to develop affordable housing on Municipal Lot 731 as part of
26 the Venice Dell Community Affordable Housing Project. As such, VCHC is within the class of persons
27 beneficially interested in the BOTC’s performance of its legal duties.

1 affordable housing and/or housing for the homeless.” Strategy 7D recommends that the City
2 Administrative Officer identify City-owned property that can be used for the development of affordable
3 housing and housing for the homeless.

4 22. The City Administrative Officer launched the AHOS initiative and conducted initial
5 reviews of City-owned properties, including unimproved or underused lots, to determine which could be
6 used for supportive housing developments. Through this process, the City identified eight potential
7 properties suitable to develop housing, one of which is the Project site: Lot 731.

8 23. Lot 731 is an underutilized, City-owned asphalt parking lot located in Venice, California.
9 Venice has both a high population of people experiencing homelessness and a severe lack of affordable
10 housing. Only 70 affordable housing units were permitted between 2009 and 2020.

11 24. The City subsequently sought proposals to develop an affordable housing project on Lot
12 731, specifically requesting proposals which provided replacement parking at a 1:1 ratio to the current
13 capacity of Lot 731. Affordable Housing Developers VCHC and HCHC were recommended by LAHD,
14 and selected by the City, to construct the Project on Lot 731.

15 25. Affordable Housing Developers have successfully navigated a complex and lengthy
16 permitting process, having received approvals and recommendations of approval from the City’s
17 Planning Commission for various entitlements in July 2021. Following the Planning Commission’s
18 decision, the City Council unanimously approved the Project in December 2021. These entitlements
19 included a CDP, Site Plan Review, Vesting Tentative Tract Map, Vesting Zone Change and Height
20 District Change, Specific Plan Amendment, Community Plan Amendment, and Land Use Plan
21 Amendment among other approvals.³ (See Exhibit 1 [Official City Action of the Los Angeles City
22 Council, Council File No., 21-0829-S1, Agenda Item No. 16 (Dec. 1, 2021)].) Further, the DDA for the
23 Project was approved in June of 2022. The DDA is a binding contract that outlines the development of
24 the Project site and mandates the execution of the ground lease for the construction and management of
25 the Project. The DDA also describes the requirement for the Affordable Housing Developers and City to
26 enter a public parking agreement at a future time.

27 ³ Further action was taken by City Council on the Project in June 2022, including to correct map exhibits
28 contained in the prior City Council approvals.

1 26. Despite the City approvals in December 2021, the Project has still not broken ground.
2 Starting in August 2021, the Project has faced—and prevailed in—a tidal wave of litigation seeking to
3 delay or thwart this affordable housing development project.

- 4 • **Lawsuit #1.** In August 2021, a local NIMBY group filed a petition for writ of
5 mandate under the Brown Act to stop the Project. (*Venice Vision v. City of Los*
6 *Angeles*, LASC Case No. 21STCP02522.) The group voluntarily dismissed the
7 petition after failing to name Affordable Housing Developers as real parties in
8 interest.
- 9 • **Lawsuit #2.** A second NIMBY group, Coalition for Safe Coastal Development
10 (“CSCD”), filed an action on January 13, 2022, challenging the Project under
11 CEQA, the Coastal Act, Subdivision Map Act, the Mello Act, and other legal
12 theories. (*Coalition for Safe Coastal Development et al. v. City of Los Angeles et*
13 *al.*, LASC Case Nos. 22STCP00162, 22STCP03626.) CSCD amended its petition
14 to add Los Indios de San Gabriel as a petitioner and to allege that the City failed
15 to consult with the Gabrieleño Band of Mission Indians – Kizh Nation under AB
16 52. After four days of trial, this Court denied CSCD’s petition in its entirety,
17 finding that each and every claim lacked merit.
- 18 • **Lawsuit #3.** In August 2022, CSCD filed another petition for writ of mandate
19 against the Project approvals and repeated Venice Visions’ meritless Brown Act
20 theories. (*Coalition for Safe Coastal Development v. City of Los Angeles*, LASC
21 Case No. 22STCP03125.) The Honorable Judge Beckloff granted the City’s
22 motion for judgment on the pleadings as to the cause of action challenging the
23 Project’s approvals for failing to name Affordable Housing Developers as real
24 parties in interest. CSCD dismissed its petition as to the remaining causes of
25 action, and the Court entered Judgment for the City on August 18, 2023.
- 26 • **Lawsuit #4.** In September 2022, CSCD filed a third suit, challenging the DDA
27 between the City and Affordable Housing Developers for the Project. (*Coalition*
28 *for Safe Coastal Development v. City of Los Angeles et al.*, LASC Case No.

1 22STCP03359.) On June 4, 2024, the Honorable Judge Chalfant issued his
2 decision denying the petition in full.

3 27. In addition to the litany of litigation, the Project's City-approved CDP was also appealed
4 to the California Coastal Commission, a state agency charged with preserving the California coastline
5 and safeguarding public access. Because Lot 731 is located within the Coastal Zone, the Project was
6 required to obtain two CDPs: one from the City and one from the Coastal Commission. Additionally, the
7 City's approval of the Land Use Plan amendment was required to be certified by the Coastal Commission.
8 While the City granted the Project a CDP in December 2021, this decision was appealed. Thus, the
9 Coastal Commission had to review the City-approved CDP, consider the Affordable Housing
10 Developers' Dual CDP Application No. 5-22-0588 (submitted on July 11, 2022), and consider the City's
11 request for the Coastal Commission's certification of the City-approved Land Use Plan amendment
12 (submitted on July 8, 2022).

13 28. Over the next several years, Affordable Housing Developers worked with the Coastal
14 Commission to revise the Project and ensure that it fully complies with the Coastal Act, safeguards
15 important coastal resources, and promotes public access. Before coming before the Coastal Commission
16 on December 11, 2024, Affordable Housing Developers, in response to feedback from Commission staff,
17 revised the Project design to address the Coastal Commission concerns, including by reducing the number
18 of units, reconfiguring the boat launch, removing a campanile, and eliminating restaurant and art gallery
19 spaces.

20 29. Based upon the findings of two comprehensive staff reports and extensive deliberations
21 during a Coastal Commission hearing, the Coastal Commission determined that the Project promotes
22 public access by increasing available parking and providing housing opportunities for low-income
23 residents near the coast.

24 30. On December 11, 2024, during the public hearing, the Coastal Commission unanimously
25 approved the Project.

26 **The Board of Transportation Commissioners Special Meeting**

27 31. The BOTC and LADOT were created by the City Council in 1979 via Ordinance No.
28 151832. The Ordinance delegated certain authorities to LADOT and the BOTC.

1 32. The BOTC is granted the authority by the Los Angeles Administrative Code (“LAAC”)
2 over “coordinating, directing, and managing all matters respecting the acquisition, and thereafter
3 management, of all public off-street parking places by the City except for those parking facilities which
4 are under jurisdiction or control of departments controlling their own funds,” among other traffic and
5 parking-related duties. LAAC § 22.484.(g)(2)(A)(7). The BOTC has an advisory relationship to the
6 General Manager of LADOT. LAAC § 22.484.(g)(1).

7 33. On December 5, 2025, the BOTC publicly published an agenda for a special meeting on
8 December 10, 2024 (the “Special Meeting”). The Coastal Commission had published the agenda for its
9 December 11, 2024 hearing on November 22, 2024, two weeks before the BOTC noticed its Special
10 Meeting. Despite the fact that the BOTC was already scheduled to hold a regular meeting on December
11 12, 2024, the BOTC deliberately scheduled the Special Meeting one day before the Coastal Commission
12 hearing.⁴

13 34. The only item on the agenda was entitled: “Proposed Redevelopment of Municipal
14 Parking Lot No. 731 in Venice for Affordable Housing.” (See Exhibit 2.) Whereas the Brown Act under
15 Cal. Gov. Code. § 54956(a) requires that a special meeting agenda state “all business to be transacted or
16 discussed,” the BOTC’s agenda lacked specificity, offering no indication that the BOTC would take
17 action at the Special Meeting to thwart a City-approved project. In fact, the agenda offered no indication
18 to public stakeholders that the BOTC would take any action at all.

19 35. On December 3, 2024, counsel for the Affordable Housing Developers sent a letter to the
20 BOTC clarifying the BOTC’s limited role in the Project and expressing concern over the Special Meeting,
21 given that no Project component was before the BOTC for consideration at this time. The letter requested
22 that “the [BOTC] either remove the Project from the agenda, or, if the Project is considered, that the
23 [BOTC] take no action.” (See Exhibit 3, [*Proposed Redevelopment of Municipal Lot No. 731 in Venice*
24 *for Affordable Housing (Venice Dell Community Project)*, Letter from Latham & Watkins to the BOTC
25 (Dec. 3, 2024).].)

26
27
28 ⁴ The BOTC holds regularly scheduled meetings on the second Thursday of each month.

1 36. Prior to the Special Meeting, LADOT sent the BOTC a report (the “LADOT Report”)
2 with two recommendations: (i) “DO NOT AUTHORIZE the use of Lot No. 731 for the affordable
3 housing project as proposed by the Venice Community Housing Corporation and Hollywood Community
4 Housing Corporation” with “120 affordable housing units plus 200 parking spaces spread over two
5 parking structures” within the housing development; and (ii) “RECOMMEND that the Los Angeles
6 Housing Department (LAHD) determine the feasibility of relocating the proposed affordable housing
7 project to Lot No. 701, including potential changes to the zoning and height limitations affecting Lot No.
8 701 to effectuate a maximum number of affordable housing units with no replacement parking required.”
9 A true and correct copy of the LADOT Report is attached as Exhibit 4.

10 37. To support these recommendations, the LADOT Report contained a discussion of the
11 Project, purporting to analyze the current use and revenue of Lot 731, the details of the proposed Project,
12 the costs and funding associated with the Project, supposed impact of the Project on public access to the
13 beach, and “pros” and “cons” of the Project as a whole. (*See* Exhibit 4.)

14 38. On December 9, 2024, counsel for Affordable Housing Developers sent a second letter to
15 the BOTC on behalf of Affordable Housing Developers urging the BOTC to refrain from taking action
16 at the Special Meeting in accordance with the recommendations of the LADOT Report, as the
17 recommended actions would be an unlawful excess of the BOTC’s authority and abuse of discretion
18 unsupported by evidence (“December 9, 2024 Letter”). A true and correct copy of the December 9, 2024
19 Letter is attached here to as Exhibit 5.

20 39. On December 10, 2024, at the Special Meeting, the BOTC considered aspects outside the
21 scope of its authority under the LAAC. During its deliberations, the BOTC discussed and weighed the
22 Project’s potential impacts on parking, affordable housing, and public access, going beyond its delineated
23 powers and duties. The BOTC is not charged with protecting—or even analyzing—public access, nor is
24 it charged with regulating affordable housing. Ultimately, the BOTC voted unanimously to adopt the
25 recommendations of the LADOT Report.

26 40. The BOTC’s vote at the Special Meeting was an ultra vires attempt to undo valid City
27 approvals and entitlements in favor of the Project that have been repeatedly upheld in litigation. The
28

1 BOTC is a lower arm of the City, yet, through its Ultra Vires Actions, it acted to usurp the authority of
2 the City Council.

3 41. On December 11, 2024, a day after the Special Meeting, the Coastal Commission
4 unanimously approved the Project. (See Exhibits 6-7 [Letter to City] [Notice of Intent].)

5 **Affordable Housing Developers’ Appeal to the City Council and Exhaustion of Administrative**
6 **Remedies**

7 42. Following the BOTC Special Meeting, on December 19, 2024, counsel for Affordable
8 Housing Developers sent a letter to the City Council appealing the BOTC’s Ultra Vires Actions at the
9 Special Meeting on the grounds that these actions were unlawful and outside the scope of the BOTC’s
10 authority (the “December 19, 2024 Letter”). A true and correct copy of the December 19, 2024 Letter is
11 attached as Exhibit 8.

12 43. On February 19, 2025, counsel for Affordable Housing Developers sent a second letter to
13 the City Council regarding the appeal (“February 19, 2025 Letter”). A true and correct copy of the
14 February 19, 2025 Letter is attached as Exhibit 9.

15 44. On February 28, 2025, the City Clerk responded to the request for the appeal, stating that
16 the appeal would not be accepted for consideration by the City Council.

17 45. Affordable Housing Developers have consequently exhausted all administrative remedies
18 available to them, and have no plain, speedy, or adequate remedy in the ordinary course of law to
19 challenge the BOTC’s Ultra Vires Actions at the Special Meeting.

20 **FIRST CAUSE OF ACTION**

21 **(FOR ISSUANCE OF A WRIT OF MANDATE UNDER 1085/1094.5)**

22 46. Affordable Housing Developers hereby incorporate the allegations set forth in paragraphs
23 1 through 45 as if set forth herein.

24 47. Under section 1085 and/or 1094.5 of the Code of Civil Procedure, the trial court reviews
25 the BOTC’s conduct to determine whether the BOTC’s Ultra Vires Actions were, among other things,
26 unlawful, procedurally unfair, or whether the agency failed to follow the procedure or acted in excess of
27 its legal authority.

1 48. LAAC section 22.484(g) outlines the powers and duties of the BOTC. Section
2 22.484(g)(1) provides that “The [BOTC]’s relationship to the General Manager of [LADOT] shall be
3 advisory.”

4 49. Section 22.484(g)(2) provides that “Notwithstanding its advisory capacity, the [BOTC]
5 shall exercise the following powers and duties, and such other powers and duties as may be conferred by
6 ordinance. Specifically, “[t]he [BOTC] shall have the power, duty and responsibility of coordinating,
7 directing, and managing all matters respecting the acquisition, and thereafter the management, of all
8 public off-street parking places by the City except for those parking facilities which are under jurisdiction
9 or control of departments controlling their own funds.”

10 50. Further, “[t]he [BOTC] is authorized to conduct hearings on all matters within the purview
11 of [LADOT] and to advise the General Manager as to its findings and recommendations.” LAAC
12 22.484(g)(1)(A)(4).

13 51. The BOTC’s actions in rejecting the use of Lot 731 for the Project and recommending
14 LAHD evaluate the feasibility of Lot 701 were unlawful and in excess of its legal authority.

15 52. The BOTC lacked authority to deny the Project or its use of Lot 731. Lot 731 is already
16 owned by the City. As such, there is no acquisition of property. LAAC section 22.484(g)(7), therefore,
17 bestows no jurisdiction upon the BOTC to act. Further, the use of Lot 731 for the Project has already
18 been approved by the City Council. The BOTC lacks authority to reverse these approvals. Attempting to
19 deny the Project’s use of Lot 731 is outside the scope of the BOTC’s powers.

20 53. Second, the BOTC exceeded its authority by voting to recommend LAHD determine the
21 feasibility of relocating the Project to Lot 701. The BOTC lacks any authority to advise or make
22 recommendations to LAHD. The BOTC’s advisory powers are limited by the LAAC to advising and
23 making recommendations to LADOT.

24 54. LAHD retains “charge, superintendence, and control of all City-owned real property, the
25 use of which currently is or is intended to be for affordable housing development purposes, projects or
26 activities.” LAAC § 22.606.1. These powers have not been delegated to the BOTC by the City or LAHD.

27 55. The BOTC’s actions were consequently taken in an unlawful excess of its authority, are
28 null and void and should be vacated.

1 56. Affordable Housing Developers have no available administrative remedies.

2 57. Affordable Housing Developers have no plain, speedy, or adequate remedy at all.

3 58. As such, Affordable Housing Developers are entitled to a writ of mandate or other
4 appropriate relief vacating the BOTC's actions at the Special Meeting.

5 **SECOND CAUSE OF ACTION**

6 **(FOR ISSUANCE OF A WRIT OF MANDATE UNDER 1085/1094.5)**

7 59. Affordable Housing Developers hereby incorporate the allegations set forth in paragraphs
8 1 through 58 as if set forth herein.

9 60. Under section 1085 and/or 1094.5 of the Code of Civil Procedure, the trial court reviews
10 the BOTC's conduct to determine whether the BOTC's actions were, among other things, unlawful,
11 procedurally unfair, or unsupported by evidence.

12 61. The BOTC acted unlawfully at the Special Meeting by abusing its discretion in acting
13 arbitrarily, capriciously, and contrary to evidence.

14 62. The BOTC abused its discretion in determining Lot 731 should not be used for the Project
15 and recommending LAHD evaluate the feasibility of moving the Project to Lot 701.

16 63. These actions were undertaken by the BOTC upon the recommendation of LADOT via
17 the LADOT Report. Exhibit 4. However, the LADOT Report's analysis failed to consider all relevant
18 factors, considered factors outside the scope of the BOTC's authority, and is contradicted by evidence in
19 the administrative record.

20 64. LADOT's analysis in the LADOT Report attempts to regulate factors outside of the
21 BOTC's statutory authority, including affordable housing and public coastal access. Exhibit 4. The
22 BOTC's decision to adopt the LADOT's recommendation is contrary to evidence in the record regarding
23 the Project's impact on public access and parking and determinations made by the City and the Coastal
24 Commission. Further, the BOTC's claims that Lot 701 would be a better site for the Project are unfounded
25 and contrary to the years of extensive review undertaken by the City and the Coastal Commission
26 regarding the Project and Lot 731. In addition, the BOTC's assertion that Lot 701 would not require
27 replacement parking exceeds the authority of the BOTC. Lot 701 is in the Coastal Zone and under the
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1 dual jurisdiction of the City and Coastal Commission, and thus the Coastal Commission must make a
2 determination about public access and any requirements to replace public parking on Lot 701.

3 65. The BOTC's actions were consequently an unlawful abuse of discretion, without
4 evidentiary support, and should be vacated.

5 66. Affordable Housing Developers have no available administrative remedies.

6 67. Affordable Housing Developers have no plain, speedy, or adequate remedy at all.

7 68. As such, Affordable Housing Developers are entitled to a writ of mandate or other
8 appropriate relief vacating the BOTC's actions at the Special Meeting.

9 **THIRD CAUSE OF ACTION**

10 **(FOR DECLARATORY RELIEF)**

11 69. Affordable Housing Developers hereby incorporate the allegations set forth in paragraphs
12 1 through 68 as if set forth herein.

13 70. An actual controversy has arisen and now exists between Affordable Housing Developers
14 and Respondents concerning their respective rights and duties. Affordable Housing Developers contend
15 that the BOTC lacks the authority to undo or otherwise interfere with the City Council's approval of the
16 Project, including the use of Lot 731 for affordable housing development.

17 71. The BOTC's actions at the December 10, 2024 Special Meeting, which purported to reject
18 the use of Lot 731 for the Project and recommend the evaluation of Lot 701 as an alternative site, were
19 beyond the scope of its legal authority and in direct conflict with the approvals granted by the City
20 Council.

21 72. Affordable Housing Developers seek a judicial declaration as to the scope of BOTC's
22 authority, specifically that the BOTC cannot undo, reverse, or otherwise interfere with the City Council's
23 approval of the Project, including the entitlements and use of Lot 731 for affordable housing
24 development.

25 73. A judicial declaration is necessary and appropriate at this time so that Affordable Housing
26 Developers may ascertain their rights and duties with respect to the Project and proceed without the threat
27 of further unlawful interference by the BOTC.

1 **PRAYER FOR RELIEF**

2 WHEREFORE, Affordable Housing Developers pray for judgment as follows:

3 74. For issuance of a writ of mandate compelling the BOTC to vacate its Ultra Vires Action
4 at the December 10, 2024 Special Meeting.

5 75. For a stay, temporary restraining order, preliminary injunction, and permanent injunction
6 prohibiting any actions by Respondent pursuant to BOTC's Ultra Vires Action.

7 76. For a judicial declaration as to the scope of BOTC's authority, specifically that the BOTC
8 cannot undo, reverse, or otherwise interfere with the City Council's approval of the Project, including
9 the use of Lot 731 for affordable housing development.

10 77. For costs of suit, and if allowed by statute, attorney's fees.

11 78. For other and further relief as may be just and proper.

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16 Dated: March 7, 2025

Respectfully submitted,

LEGAL AID FOUNDATION OF LOS ANGELES

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21 By: Anna Hales

22 Anna Hales

23 Kevin Mitchell
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VERIFICATION

I, Sarah Letts on behalf of Hollywood Community Housing Corporation, declare:

- 1. I am a party to this action.
- 2. I have read the VERIFIED PETITION FOR WRIT OF MANDATE. The facts stated are either true and correct of my own personal knowledge, or I am informed and believe that such facts are true and correct, and on that basis, I allege them to be true and correct.

This verification was executed on March 7, 2025 in Los Angeles, California. I declare under penalty of perjury that the foregoing is true and correct.

Sarah Letts

Sarah Letts
Executive Director
Hollywood Community Housing
Corporation

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VERIFICATION

I, Erika Lee on behalf of Venice Community Housing Corporation, declare:

- 1. I am a party to this action.
- 2. I have read the VERIFIED PETITION FOR WRIT OF MANDATE. The facts stated are either true and correct of my own personal knowledge, or I am informed and believe that such facts are true and correct, and on that basis, I allege them to be true and correct.

This verification was executed on March 7, 2025 in Los Angeles, California. I declare under penalty of perjury that the foregoing is true and correct.

Erika Lee
Erika Lee (Mar 7, 2025 16:27 PST)

Erika Lee
Co-Executive Director
Venice Community Housing Corporation

Exhibit 1

HOLLY L. WOLCOTT
CITY CLERK

City of Los Angeles
CALIFORNIA

OFFICE OF THE
CITY CLERK

PETTY F. SANTOS
EXECUTIVE OFFICER



Council and Public Services Division
200 N. SPRING STREET, ROOM 395
LOS ANGELES, CA 90012
GENERAL INFORMATION - (213) 978-1133
FAX: (213)978-1040

December 1, 2021

ERIC GARCETTI
MAYOR

PATRICE Y. LATTIMORE
DIVISION MANAGER
CLERK.LACITY.ORG

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

Council File No.: 21-0829-S1

Council Meeting Date: December 1, 2021

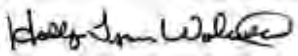
Agenda Item No.: 16

Agenda Description: CONSIDERATION OF and ACTIONS RELATED TO A STATUTORY EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), COMMUNICATIONS FROM THE LOS ANGELES CITY PLANNING COMMISSION (LACPC), MAYOR, AND DEPARTMENT OF CITY PLANNING (DCP); RESOLUTION, and ORDINANCE FIRST CONSIDERATION relative to a General Plan Amendment, Specific Plan Amendment, Vesting Zone and Height District Change, and an APPEAL filed by Venice Vision (Representative: Jamie T. Hall, Channel Law Group, LLP), from the determination of the LACPC in approving a Statutory Exemption, No. ENV-2018-6667-SE, as the environmental clearance for the project; a Project Permit Compliance Review for a project within the Venice Coastal Zone Specific Plan, pursuant to Los Angeles Municipal Code (LAMC) Section 11.5.7; a Coastal Development Permit for a project located within the Dual Permit Jurisdiction of the California Coastal Zone, pursuant to LAMC Section 12.20.2; a Mello Act Compliance Review for the demolition of four Residential Units and the construction of 140 Residential Units within the Coastal Zone, pursuant to Government Code Sections 65590 and 65590.1 and the City of Los Angeles Interim Mello Act Compliance Administrative Procedures; and, a Site Plan Review for a project which creates or results in an increase of 50 or more dwelling units, pursuant to LAMC Section 16.05; for the properties located at 2102-2120 South Pacific Avenue, 116-302 East North Venice Boulevard, 2106-2116 South Canal Street, and 319 East South Venice Boulevard.

Council Action: MOTION (BONIN - BLUMENFIELD) - ADOPTED FORTHWITH

Council Vote:

YES	Blumenfield	YES	Bonin	ABSENT	Buscaino
YES	Cedillo	YES	de León	YES	Harris-Dawson
YES	Koretz	YES	Krekorian	YES	Lee
YES	Martinez	YES	O'Farrell	ABSENT	Price
YES	Raman	YES	Rodriguez		



HOLLY L. WOLCOTT
CITY CLERK

Pursuant to Charter/Los Angeles Administrative Code Section(s): 250(b)

FILE SENT TO MAYOR
LAST DAY FOR MAYOR TO ACT

12/03/2021
12/13/2021

APPROVED



12/11/2021

DATE SIGNED

- Adopted Report(s) Title
- Motion (Bonin- Blumenfield) 12-1-21
- Motion (Bonin- Harris-Dawson) 12-1-21
- Communication from Department of City Planning dated 11-29-21 - Supplemental Transmittal Attachment to Communication dated 11-29-21 - Appeal Response
- Communication from Department of City Planning dated 10-28-21 - Supplemental Transmittal Communication(s) from Public_ 10-28-2021
- Attachment to Communication dated 10-28-21 - Response to Appeal
- Attachment to Communication dated 10-28-21 - Statutory Exemption Justification
- Communication from Department of City Planning dated 8-03-21 - Supplemental Transmittal Attachment to Communication dated 8-03-21 - Appeal
- Report from City Planning Commission dated 7-13-21
- Attachment to Report dated 7-13-21 - Mayor Transmittal
- Attachment to Report dated 7-13-21 - Staff Report
- Attachment to Report dated 7-13-21 - Draft Ordinance
- Attachment to Report dated 7-13-21 - Proposed Ordinance VSP Amendments
- Attachment to Report dated 7-13-21 - Resolution
- Attachment to Report dated 7-13-21 - Conditions of Approval
- Attachment to Report dated 7-13-21 - T Conditions
- Attachment to Report dated 7-13-21 - Findings
- Attachment to Report dated 7-13-21 - SE Justification and Analysis
- Attachment to Report dated 7-13-21 - Mello Act Determination
- Communication from Department of City Planning dated 11-09-21 - Supplemental Transmittal
- Communication from Department of City Planning dated 10-01-21 - Supplemental Transmittal

Exhibit 2

**BOARD OF TRANSPORTATION
COMMISSIONERS**

CRIS LIBAN
PRESIDENT

SELIKA TALBOTT
VICE PRESIDENT

DOUGLAS TOHOM
VIGGEN DAVIDIAN
ERIN PAK
RAYMOND REGALADO
DAVID MARQUEZ

JASMIN SAN LUIS
ACTING COMMISSION EXECUTIVE ASSISTANT

**CITY OF LOS ANGELES
CALIFORNIA**



KAREN BASS
MAYOR

DEPARTMENT OF TRANSPORTATION

100 S. MAIN STREET, 10th FLOOR
LOS ANGELES, CA 90012

LAURA RUBIO-CORNEJO
GENERAL MANAGER

**SPECIAL MEETING
BOARD OF TRANSPORTATION COMMISSIONERS**

AGENDA

**Tuesday, December 10, 2024
10:00 AM**

**Room 1010, City Hall
200 North Spring Street, Los Angeles, CA 90012**

Note: The meeting is audio taped.

Every person wishing to address the Commission must complete a speaker's request form at the meeting and submit it to the Commission Executive Assistant prior to the Board's consideration of the matter.

The live audio can also be accessed at: (213) 621-2489 (Downtown); (310) 471-2489 (West L.A.); 310 547-2489 (San Pedro); 818 904-9450 (Van Nuys).

ADMINISTRATIVE ITEMS

1. Welcome
2. Roll Call

NOTICE TO PAID REPRESENTATIVES

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code 48.01 et seq. More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 978-1960 or ethics.commission@lacity.org.

NEIGHBORHOOD COUNCIL COMMENT

Discussion with Neighborhood Council representatives on any formal positions or resolutions adopted by the Neighborhood Council relating to any agenda item listed or being considered on this agenda for the Board of Transportation Commissioners.

PUBLIC FORUM

ACTION ITEM

3. Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing

ADJOURNMENT - PURSUANT TO GOVERNMENT CODE SECTION 54956.7

Agenda will be posted online and can be downloaded at least 72 hours prior to a meeting from the Department of Transportation Website <https://ladot.lacity.org/about/commissions> or posted on the bulletin board located on the 1st floor of City Hall East (Main Street Lobby).

Members of the public are invited to address the Board of Transportation Commissioners on any item on the agenda prior to action by the Board on that specific item. Members of the public will be given an opportunity to address non-agenda items within this Board's jurisdiction.

A total of 10 minutes will be allotted, subject to time limits on individual items, as the President deems appropriate.

Written material supporting agenda items can be reviewed prior to each Board meeting at the Commission office, 100 S. Main Street, 10th floor, Los Angeles, 90012, between the hours of 8:00 a.m. and 4 p.m.

Finalization of Commission Actions: In accordance with City Charter, actions that are subject to Section 245 shall become final at the expiration of the next five meeting days of the Los Angeles City Council during which the Council has convened in regular session and that if Council asserts jurisdiction during this five meeting day period the Council has 21 calendar days thereafter in which to act on the matter.

Matters pending will be carried for a maximum of six months, after which time they will be deemed withdrawn and rescheduled when a new staff report is received.

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, we will provide reasonable accommodation to ensure equal access to its programs, services, and activities. To ensure availability, you are advised to make your request at least 72 hours prior to a meeting you wish to attend. For additional information, please contact Jasmin San Luis, Acting Commission Executive Assistant, at (213) 972-8448 or TTY call (213) 580-1177.

Exhibit 3

FIRM / AFFILIATE OFFICES

Austin	Milan
Beijing	Munich
Boston	New York
Brussels	Orange County
Century City	Paris
Chicago	Riyadh
Dubai	San Diego
Düsseldorf	San Francisco
Frankfurt	Seoul
Hamburg	Silicon Valley
Hong Kong	Singapore
Houston	Tel Aviv
London	Tokyo
Los Angeles	Washington, D.C.
Madrid	

December 3, 2024

VIA EMAIL

Board of Transportation Commissioners
City of Los Angeles
Los Angeles City Hall
200 N. Spring St.
Los Angeles, CA 90012

December 10, 2024 Special Meeting
Agenda Item No. 3

Re: Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing (Venice Dell Community Project)

Dear President Liban and Honorable Commissioners:

On behalf of our pro bono clients, the Venice Community Housing Corporation and the Hollywood Community Housing Corporation (collectively, “Affordable Housing Providers”), we have significant concerns about the Board of Transportation Commissioners’ consideration of the Venice Dell Community (the “Project”) at the Board’s December 10, 2024, special meeting.

There is nothing for this Commission to do at this time, so it is unclear why this meeting has even been scheduled. And when it comes time for this Board to act, its purview is very limited. The Board’s only role in this Project is to make non-binding recommendations to the General Manager of the Los Angeles Department of Transportation (“LADOT”) on the operational and management aspects of the Project’s public parking component. The operation and management aspects of the Project’s public parking component are not pending before the City. Therefore, the Board has nothing to do at this time.

The Project is a vital supportive housing project that has been in development for nearly a decade and will provide affordable housing for homeless and low-income individuals in Venice, a community in the City of Los Angeles that contains substantially fewer affordable housing units than other areas of the City. In line with the City’s affordable housing policies, the Project will be built on an underutilized City owned parking lot, adding 120 affordable homes to Venice while also increasing the public parking supply in Venice. The Project offers a unique opportunity to expand supportive and low-income housing, increase public access, and provide low-cost, visitor-serving amenities in a high demand area.

The City Council unanimously approved a Coastal Development Permit for the Project, along with other entitlements, on December 1, 2021 (Council File No. 21-0829-S1).¹ The City Council's approvals were then challenged in litigation, and the City and the Affordable Housing Providers successfully defended the City's approvals in court. On May 21, 2024, the Superior Court for the County of Los Angeles upheld each of the Project's approvals.² This decision is final.

The California Coastal Commission is set to consider the Project's Coastal Development Permits and the Land Use Plan Amendment approved by the City Council that will allow homes to be built on the current paved parking lot on December 11. California Coastal Commission staff recommends approving the Project because, among other reasons, it is consistent with the Coastal Act and contributes to environmental justice and public access in the Coastal Zone. With the Coastal Commission's hearing already scheduled for next week, it is confusing why the City chose to schedule this Board's meeting – *where there is no pending action for the Board to take* – through a special meeting set just one day before the Coastal Commission's hearing.

As noted above, the Board's authority related to this Project is very limited. The Board has the "power, duty and responsibility of coordinating, directing and managing all matters respecting the *acquisition, and thereafter the management*, of all public off-street parking places by the City." (Admin. Code, § 22.484(g)(2)(A)(7) [emphasis added].) Further, "the [Board] is authorized to conduct hearings on all matters within the purview of [LADOT] and to advise the General Manager as to its findings and recommendations." (*Id.*, § 22.484(g)(2)(A)(4).) The City owns the parking lot where the Project will be built – so no acquisition activities are involved. Accordingly, the Board's only role in this Project is limited to reviewing the operational and management aspects of the Project's public parking component and making non-binding recommendations concerning public parking operation and management to the General Manager of LADOT. The operation and management aspects of the Project's public parking component are not currently pending before the City. As such, there is nothing for this Board to do.

The Los Angeles County Superior Court – in affirming the Project's approvals – also clarified the Board's role related to the Project. Administrative Code Section 22.484(g)(2)(A)(7) only delegates the "acquisition and management of the City's public off-street parking to the [Board]." On the other hand, the "disposition of the City's real property, including parking places, intended to be for affordable housing development purposes is delegated to [the Los Angeles Housing Department] by [Administrative Code] [S]ection 22.606.1." The Court confirmed that the Board does not possess any authority under Administrative Code Section 22.484(g)(2)(A)(7) with respect to the Project because the City already owns the Project site, meaning "[t]here is no 'acquisition' at issue in this case." The Court's decision was consistent with the sworn testimony of the Assistant General Manager for the Los Angeles Housing Department and the head of LADOT's Bureau of Parking Management. According to their sworn testimony, "the Project (or some agreement related to the Project's parking component)

¹ Further action was taken by City Council on the Project in June 2022, including to correct map exhibits contained in the prior City Council approvals.

² *Coalition for Safe Coastal Development v. City of Los Angeles* (Case No. 22STCP03359).

LATHAM & WATKINS LLP

will be put before the [Board] prior to seeking approval for the ground lease.” Again, neither the ground lease nor any other agreements related to the public parking component of the Project are pending at the City. Affordable Housing Providers and the City do not anticipate any City approval processes for the public parking agreement or ground lease until 2025, as the anticipated dates for executing those documents are late 2025 through 2027.

For all these reasons, the Board’s consideration of the Project at the upcoming special meeting is premature, inconsistent with the timeline laid out by the City during litigation, and beyond the Board’s legal power and authority. Any action taken by the Board at its December 10, 2024, special meeting is outside its authority under the Administrative Code and therefore cannot be binding.

The Project presents a unique opportunity to provide more than 100 affordable homes for unhoused and low-income residents in an area plagued by a housing crisis. The Project will also benefit the larger community by increasing coastal public parking, providing improved coastal public access, and creating additional recreational opportunities and open space for the community. We respectfully request that the Board either remove the Project from the agenda, or, if the Project is considered, that the Board take no action at its December 10, 2024, special meeting.

Very truly yours,



Duncan Joseph Moore
of LATHAM & WATKINS LLP

cc: Becky Dennison, Venice Community Housing Corporation
Sarah Letts, Hollywood Community Housing Corporation
Laura Rubio-Cornejo, General Manager, Los Angeles Department of Transportation
Jay Kim, Assistant General Manager, Los Angeles Department of Transportation
Ken Husting, Los Angeles Department of Transportation
Michelle Cayton, Los Angeles Department of Transportation
Hydee Feldstein Soto, City Attorney, Los Angeles City Attorney’s Office
John Heath, Los Angeles City Attorney’s Office
Michael Nagle, Los Angeles City Attorney’s Office
Kevin Dufner, Los Angeles City Attorney’s Office
Yolanda Chavez, Los Angeles City Attorney’s Office
Kevin Keller, Interim Deputy Mayor of Housing, Office of Mayor Karen Bass
Councilmember Traci Park, City Council, Council District 11

LATHAM & WATKINS LLP


Star Parsamyan, Chief of Staff, Council District 11 Councilmember Traci Park
Arsen Voskerchyan, Los Angeles Bureau of Engineering
Tricia Keane, Executive Officer, Los Angeles Housing Department
Eric Claros, Director of Housing, Los Angeles Housing Department
Lisa Webber, Deputy Director of Planning, Los Angeles City Planning
Juliet Oh, Senior City Planner, Los Angeles City Planning
Beth Gordie, Latham & Watkins LLP
Benjamin Hanelin, Latham & Watkins LLP

Exhibit 4

**BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION**

Date: December 10, 2024

To: Board of Transportation Commissioners

From: Laura Rubio-Cornejo, General Manager 
Department of Transportation

Subject: **PROPOSED REDEVELOPMENT OF MUNICIPAL PARKING LOT NO. 731 IN VENICE FOR AFFORDABLE HOUSING**

SUMMARY

In 2022, City Council authorized a Disposition and Development Agreement to redevelop the Lot No. 731 in Venice into affordable housing with replacement public parking. Per Section 22.484(g)(2)(A)(7) of the Los Angeles Administrative Code (LAAC), the Board of Transportation Commissioners has the express authority and responsibility to direct the acquisition and management of all Los Angeles Department of Transportation (LADOT) public parking lots, which includes the proposed redevelopment of Lot No. 731. This report provides LADOT's evaluation of the proposed project and project alternatives, which is presented to the Board for the first time.

RECOMMENDATIONS

That the Board:

1. **DO NOT AUTHORIZE** the use of Lot No. 731 for the affordable housing project as proposed by the Venice Community Housing Corporation and Hollywood Community Housing Corporation in Attachment "B" with 120 affordable housing units plus 200 parking spaces spread over two parking structures within the housing development (23 spaces in the west structure, and 177 spaces in the east structure); and
2. **RECOMMEND** that the Los Angeles Housing Department (LAHD) determine the feasibility of relocating the proposed affordable housing project to Lot No. 701, including potential changes to the zoning and height limitations affecting Lot No. 701 to effectuate a maximum number of affordable housing units with no replacement parking required.

BACKGROUND

Lot No. 731 is a surface lot located at 200 N. Venice Boulevard, Venice in Council District (CD) 11 (see Attachment "A"). The parking lot is less than 1,000 feet from Venice Beach and in a predominantly residential area. Currently, the lot has a total of 177 public parking spaces consisting of 171 standard spaces, and 6 disabled spaces. The parking lot previously had 196 public spaces. The Venice Canal bifurcates the lot creating a west side and east side of the property. The lot is highly utilized from May to September, and has moderate to low usage from October to April. The parking lot is operated with an

attendant daily from 7am to 5-8pm depending on the season, and is closed from 11pm to 5am. Rates vary from \$4 to \$25 per day at the lot depending on the time, day, and season. Annual revenue generated from Lot No. 731 is approximately \$747,000.

In May 2016, City Council directed LADOT and the City Administrative Officer (CAO), with the assistance of the then Housing and Community Investment Department (now LAHD), to prepare an RFP to provide for an affordable housing project, along with replacement parking at Lot No. 731 (CF 15-1138-S9). In December 2016, City Council approved the selection of Venice Community Housing Corporation and Hollywood Community Housing Corporation (Developer) to create a full development plan for the project (CF 16-0600-S145). In June 2022, City Council authorized LAHD to execute a Disposition and Development Agreement for development of affordable housing at Lot No. 731 with the Developer based on the project design submitted at that time (CF 22-0496). The design reflected 136 housing units and 252 public parking spaces all located in a parking structure on the east side of the property surrounded by housing units. The Board was not presented with any information on the project at that time. Moreover, in the 8 ½ years since the City Council issued its directive, multiple modes of transportation not contemplated in 2016 have been introduced in the Venice Beach area, which the City could more effectively manage through the creation of a cohesive mobility hub on Lot No. 731.

Per Section 22.484(g)(2)(A)(7) of the LAAC, the Board has “the power, duty and responsibility of coordinating, directing, and managing all matters respecting the acquisition, and thereafter the management, of all public off-street parking places by the City.” Contrary to recent correspondence from Developer’s counsel, the LAAC exclusively empowers the Board to approve or deny the proposed project as part of its ongoing responsibility to manage Lot No. 731. The project as presented raises a number of issues related to beach access, maintenance, easements across the property, insurance, indemnification, financial obligations for resident (private) parking, and other details that must be negotiated and included in a parking management agreement and/or other agreements between the City and the Developer for the Board’s consideration and approval.

DISCUSSION

Based on feedback and/or requirements from City staff and the California Coastal Commission, the Developer has modified the design multiple times since a preliminary design was attached to the CAO’s report presented to City Council in June 2022. Due in large part to multiple lawsuits filed and recently resolved, the project has not been previously considered by this Board. According to the LAAC, the Board has the authority and responsibility to direct and manage the repurposing of all LADOT public parking lots, which includes the authority to determine the requirements for the proposed redevelopment of Lot No. 731. Below is LADOT’s evaluation of the project as currently proposed by the Developer, and alternatives considered by LADOT.

Current Proposed Project

Preliminary Design Observations

Included as Attachment “B” is the most current project design provided to LADOT by the Developer in October 2024.

1. Compared to the 2022 preliminary design referenced earlier, the latest design reduced the number of housing units from 136 to 120. The proposed public parking also decreased from 252 parking

spaces in the east parking structure to 200 parking spaces spread over two parking structures (23 in the west and 177 in the east) which exceeds the required replacement parking of 196 spaces.

2. Most patrons that use Lot No. 731 travel west directly to the beach and/or use the Ocean Front Walk. With most of the public parking proposed to be replaced on the east side of the property, patrons will have to walk roughly a few hundred feet further which may negatively impact the utilization and revenues of the parking structure, and reduces beach and Ocean Front Walk access.
3. Portions of the proposed east parking structure's exterior walls will be within a matter of inches from the walls of the surrounding housing units. The proposed plan is to build a new public parking structure, and then build the housing immediately adjacent to the exterior. Having these walls so closely co-located raises liability and cost concerns due to uncertainties during construction and complicates future maintenance and rehabilitation. Any delays during the construction of the parking structure may impact the overall development schedule and thereby increase construction costs of the adjoining housing development which could obligate the City to compensate the Developer. Given the close proximity of this facility to the ocean and noting the fact that Southern California experiences earthquakes periodically, should the exterior concrete parking structure walls require rehabilitation from salt and moisture corrosion and/or seismic activity, it is unclear how this will be addressed between the City and the Developer given the immediately adjacent walls of the housing development, as any associated costs will likely impact those adjacent dwelling units.
4. There are other design requirements that LADOT and the Developer have yet to successfully work through such as rollup gates to secure the facility after hours, parking office and storage rooms.

Cost Estimates

The project proposal includes the City paying for the cost of the proposed East Parking Structure including hard and soft costs. LADOT received a detailed estimate for the East Parking Structure from the Developer in 2021 with a total City cost of \$17,207,981 and Developer cost of \$2,284,882 for a total project cost of \$19,492,682. LADOT received an updated cost estimate as of November 2024 with a revised construction cost and same total project cost. The cost estimate includes the assumption that the City will pay all the costs for the East Parking Structure since the Developer will finance several public parking spaces in West Parking Structure. As of the drafting of this report, the cost estimates are still being vetted. The Developer claims that the total cost of the project remains roughly the same because of design revisions to remove mechanical lifts that were once proposed to be used in the structure. LADOT projected out the 2021 East Parking Structure City construction cost and the total City project costs (planning, design, construction, etc.) to the current year in the table below. Under the current proposal, the City is obligated to pay for the entire cost of replacement public parking in the East Parking Structure with a total project cost conservatively estimated by the City at roughly \$22 million, all of which is to be funded with general obligation bonds issued by the City's Municipal Improvement Corporation of Los Angeles (MICLA). \$11.6 million in MICLA financing was initially authorized by Council in the 2022-23 budget cycle, and that authorization expires if the funds are not expended within three years of authorization.

	Developer's 2021 City Construction Cost Estimate ¹	Developer's 2021 Total City Project Cost Estimate ²	Developer's 2024 City Construction Cost Estimate ¹	Developer's 2024 Total City Project Cost Estimate ²	City Projected 2024 City Construction Cost Estimate ³	City Projected 2024 Total City Project Cost Estimate ⁴
Proposed East Parking Structure	\$12,761,012	\$17,207,981	\$13,608,663	\$19,492,862	\$17,972,967	\$22,062,323

¹ Construction estimate based on hard costs and demolition.

² Total City project cost estimate based on construction estimate plus soft costs such as planning, design, permits, etc. and contingency costs.

³ Based on cost estimate provided by the developer in 2021 (\$12,761,012) and escalated to 2024 cost using the annual inflation rates from the California Construction Cost Index (13.4% from 2021 to 2022), and the City of Los Angeles Bureau of Engineering (BOE) (15% from 2022 to 2023 and 8% from 2023 to 2024).

⁴ Based on cost estimates provided by the developer in 2021 (total City project cost: \$17,207,981; City construction cost: \$12,761,012; removal of parking lift equipment: \$680,400) and escalated to 2024 cost using the construction estimate escalated to 2024 cost and the remaining soft costs escalated using BOE escalation rates (0% for 2021 to 2022, 4% for 2022 to 2023, and 4% for 2023-2024).

Project Parking Agreement Status

The Bureau of Engineering and the Developer have been working together to draft a parking agreement that clearly states the terms and conditions to allow the Developer to construct the public parking structure and to be reimbursed by the City with MICLA bond financing. Work remains to refine the scope of work as well as the milestones/payment schedule.

Project Alternatives

Below are the alternatives considered with LADOT's assessments of benefits and disadvantages.

1. Approve the affordable housing project on Lot No. 731 as proposed by the Developer. (*Not recommended*)

Pros:

- Quickest alternative for a mixed-use development with affordable housing.

Cons:

- Design and liability concerns by having a parking structure that has other structures immediately adjacent to it.
- Approximately \$20 million impact to General Fund for construction of a parking structure during the current fiscal crisis.
- Loss of parking revenue during construction and value of land transferred for free.
- Reduces beach access and potentially parking revenue with longer distance to walk to the beach and Ocean Front Walk.
- Will not allow for future development of the lot to include increasingly desirable additional mobility options (car share, bike share, micro-mobility, shuttle service, transit store, etc.).

2. Deny the use of Lot No. 731 for the affordable housing project as proposed by the Developer and keep the existing surface parking lot. (*Recommended*)

Pros:

- Eliminates design and liability concerns from a parking structure with residential structures immediately adjacent to it.
- Reduces the potential General Fund burden due to MICLA commitment by roughly \$20 million during the current fiscal crisis.
- City retains ownership and use of the Lot No. 731 property with no loss in land value and parking revenue due to construction.
- Allows for future development opportunity that may include additional capacity for increasingly desirable mobility options and improved beach access. Lot No. 731 is situated at a prime location with excellent connectivity to major transportation corridors, bike paths, and pedestrian-friendly streets. It offers a rare opportunity to integrate multiple modes of transportation into a cohesive mobility hub. Its size, accessibility, and proximity to transit lines make it ideal for implementing:

1. **A Multi-Modal Transit Center:** With space to accommodate bus stops, a transit store, community shuttle service, car share, bike-sharing stations, micro-mobility, and ride-hailing pick-up zones, Lot No. 731 can become a central point for residents and visitors to navigate this part of the City seamlessly.
2. **Electric Vehicle (EV) Charging Stations:** As Venice moves toward sustainable transportation solutions, dedicating Lot No. 731 to expanded EV infrastructure could encourage greener commuting options while serving the increasing demand for charging stations.
3. **Expanded Bike Infrastructure:** The proximity of Lot No. 731 to Venice's existing bike paths makes it a natural fit for a secure bike storage and repair facility, further encouraging cycling as an eco-friendly commuting option.
4. **Pedestrian-Friendly Enhancements:** With ample space to include shaded walkways, resting areas, and public art installations, Lot No. 731 can enhance the pedestrian experience and contribute to Venice's vibrant urban culture.

Cons:

- Eliminates mixed-use development with affordable housing on Lot No. 731, although option 4 below offers the opportunity for the placement of affordable housing on Lot No. 701.
 - Developer will likely seek reimbursement from the City for approximately \$3 million in predevelopment expenses incurred to date.
3. Approve an affordable housing project on Lot No. 731 with the required minimum number of 196 replacement parking spaces in a stand-alone parking structure on the west side of the property. *(Not recommended)*

Pros:

- Allows for a mixed-use development with affordable housing.
- Reduces design and liability concerns by having a parking structure that does not have other structures immediately adjacent to it.
- Provides parking spaces closer to where most of the patrons are walking, thereby resolving concerns regarding beach access.

Cons:

- Will result in redesign of the proposed project, triggering additional costs and delays.
- More than \$20 million impact to General Fund for redesign and construction of a parking structure.
- Loss of parking revenue during construction and value of land transferred for less than full market value.
- Will not allow for future development of the lot to include increasingly desirable additional mobility options.

4. Recommend that LAHD evaluate the feasibility of relocating the proposed affordable housing from Lot No. 731 to Lot No. 701 with no replacement parking required. (*Recommended*)

Lot No. 701 is located at 2150 Dell Ave in Venice, across the street and to the northeast from Lot No. 731 (see Attachment "A"). Lot No. 701 is a 150 space paid public parking lot in a residential area. The lot is primarily utilized during summer weekends and holidays, and has low usage during other times. On Fridays, there is a farmers' market on the parking lot that can be relocated, if needed. The lot is operated by an attendant, as needed, on summer weekends and holidays as an overflow parking lot to Lot No. 731, otherwise the lot remains closed to public. Rates vary from \$5 to \$25 per day at the lot depending on the time and day. Annual revenue generated from this parking lot is approximately \$114,000.

Pros:

- Allows for a thorough evaluation of the potential site.
- Allows for potential mixed-use development with affordable housing, possibly with a higher number of affordable housing units than the 120 proposed for Lot No. 731.
- Allows for future development opportunity on Lot No. 731 that may include increasingly desirable additional mobility options.
- No requirement to replace the parking spaces and thus no cost to General Fund for construction a parking structure during the current fiscal crisis. The parking spaces could be replaced in a future mobility hub project on Lot No. 731.
- An affordable housing project on Lot No. 701 instead of Lot No. 731 would reduce the loss of parking annual revenue by approximately \$633,000.
- Maintains existing public parking spaces closer to the beach and Ocean Front Walk.

Cons:

- Will result in a new affordable housing project requiring more time for design and entitlement.
- Loss of 150 public parking spaces, which would require California Coastal Commission approval.
- Loss of approximately \$114,000 in annual parking revenue and value of land likely transferred for less than full market value.

Evaluating the alternatives above, LADOT recommends denying the current project as proposed based on the disadvantages outlined in Option 2. Given the lack of affordable housing in the area that the current project would provide, LADOT recommends that the Board also consider Option 4 and recommend that LAHD evaluate Lot No. 701 to determine the suitability of the site for a new affordable housing development that will not require any replacement parking, which would be subject to California Coastal Commission approval. The recommendation to relocate the proposed development

of new affordable housing from Lot No. 731 to Lot No. 701 in Venice provides an opportunity to enhance both community resources and mobility options for the residents of Venice. While affordable housing is a critical need, the unique potential of Lot No. 731 to become a mobility hub makes it a more impactful site for long-term urban development, while still providing an opportunity for an affordable housing project on nearby Lot No. 701. The relocation recommendation in Option 4 represents a strategic and thoughtful choice for the community.

Should the Board select any other alternative that proposes the development of affordable housing on Lot No. 701 or Lot No. 731 where replacement public parking is required, the project will come back to the Board for approval of applicable parking management agreement(s).

FISCAL IMPACT STATEMENT

Depending on the option selected, there are potentially significant impacts to the General Fund and/or Special Parking Revenue Fund (SPRF) during the City's current fiscal crisis. The design and construction of a parking structure to replace the existing public parking lot is estimated to be between \$19.5-\$22.1 million. Currently, the Developer proposes to have the City fund all amounts for the construction and maintenance of the new parking structure by issuing general obligation bonds from MICLA, which is a General Fund obligation of the City. LADOT public parking lot revenue generated from existing public parking lots is deposited into the SPRF. The estimated loss of annual parking revenue during construction of the project proposed by the Developer at Lot No. 731 is approximately \$747,000. The estimated loss of annual parking revenue at Lot No. 701 is approximately \$114,000 per year. In addition to the loss of annual revenue from operations, SPRF will lose the revenue that could be generated from the sale of the property and deposited into the SPRF, potentially estimated in the tens of millions of dollars if the Lot No. 731 property were to be sold for full market value.

LRC:JK:kh

Attachments

ATTACHMENT "A"



VENICE DELL COMMUNITY

ATTACHMENT "B"

VENICE BLVD. / DELL AVE.
LOS ANGELES, CA 90291

COASTAL COMMISSION

ABBREVIATIONS

ABV	ABOVE	JT	JOINT
AFF	ABOVE FINISH FLOOR	KIT	KITCHEN
A.G.L.	ADJ. GROUND LVL. PER LAMC SECT. 12.03	LDSC	LANDSCAPE
ADJ	ADJACENT	LAV	LAVATORY
ALUM	ALUMINUM	LOC	LOCATION
@	AT	MFR	MANUFACTURER
BM	BEAM	MAX	MAXIMUM
BTWN	BETWEEN	MECH	MECHANICAL
B.O.	BOTTOM OF BLDG BUILDING	MTL	METAL
BLDG	BUILDING	MIN	MINIMUM
BUR	BUILT UP ROOF	(N)	NEW
CLNG	CEILING	N/A	NOT APPLICABLE
CL	CENTERLINE	N.I.C.	NOT IN CONTRACT
CLR	CLEAR	NO.	NUMBER
COL	COLUMN	O.C.	ON CENTER
CONC	CONCRETE	OPER	OPERABLE
CMU	CONCRETE MASONRY UNIT	OPP	OPPOSITE
CONSTR	CONSTRUCTION	O.A.E.	OR APPROVED EQUAL
CONTS	CONTINUOUS	OFCSI	OWNER FURNISHED/ CONTRACTOR INSTALLED
CFCI	CONTRACTOR FURNISHED/ INSTALLED	PTD	PAINTED
CJ	CONTROL JOINT	PR	PAIR
D.G.	DECOMPOSED GRANITE	PNL	PANEL
DB	DESIGN/BUILD	P.O.T.	PATH OF TRAVEL
DETL	DETAIL	PLY	PLYWOOD
DIA	DIAMETER	P.I.C.	POURED-IN-PLACE CONCRETE
DIM	DIMENSION	PL	PROPERTY LINE
ACC	DISABLED ACCESS	RAD	RADIUS
DWH	DOMESTIC HOT WATER	RE	REFER TO
DR	DOOR	REF	REFRIGERATOR
DBL	DOUBLE	REQD	REQUIRED
DN	DOWN	RF	ROOF
DS	DOWNSPOUT	RFNG	ROOFING
DWGS	DRAWINGS	RM	ROOM
EA	EACH	R.O.	ROUGH OPENING
ELEC	ELEC. VEHICLE CHARGING STATION	SCHED	SCHEDULE
EL	ELEVATION	SCRN	SCREEN
(ELEV.)		SECT	SECTION
EQ	EQUAL/ EQUAL TO	SHWR	SHOWER
EQMT	EQUIPMENT	SIM	SIMILAR
(E)	EXISTING	S.C.	SOLID CORE
EXT	EXTERIOR	SPECS	SPECIFICATIONS
F.O.C.	FACE OF CONCRETE	S.S.	STAINLESS STEEL
F.O.PL	FACE OF PLYWOOD	SP	STAND PIPE
Y.		STL	STEEL
F.O.S.	FACE OF STUD FINISH	STOR	STORAGE
FIN	FINISH	S.D.	STORM DRAIN
FFL	FINISH FLOOR LEVEL	STRUC	STRUCTURAL
FEC	FIRE EXTINGUISHER CABINET	TL	TRUSS
FR	FIRE HYDRANT	STRUC	STRUCTURE
FBR	FLAME SPREAD RATING	T	TEMPERED
FLR	FLOOR	THK	THICK
FLRG	FLOORING	THRU	THROUGH
FLOUR	FLOURESCENT	T.O.	TOP OF
FRMC	FRAMING	TYP	TYPICAL
GALV	GALVANIZED	UFAS	UNIFORM FEDERAL ACCESSIBILITY STANDARDS
GA	Gauge	U.N.O.	UNLESS NOTED OTHERWISE
GED	GEOTECHNICAL	URNL	URINAL
GLAZ	GLAZING	VNR	VENEER
GYP.	GYP/SUM BOARD	VER	VERIFY
BD.		VF	VERIFY IN FIELD
HT	HEIGHT	WD	WOOD
H.C.	HOLLOW CORE	WD	WASHER/ DRYER
H.M.	HOLLOW METAL	W.P.	WATERPROOFING
HW	HOT WATER	WNDW	WINDOW
INSUL	INSULATION	W	WITH
INT	INTERIOR	WO	WITHOUT
JAN	JANITOR	WD	WOOD

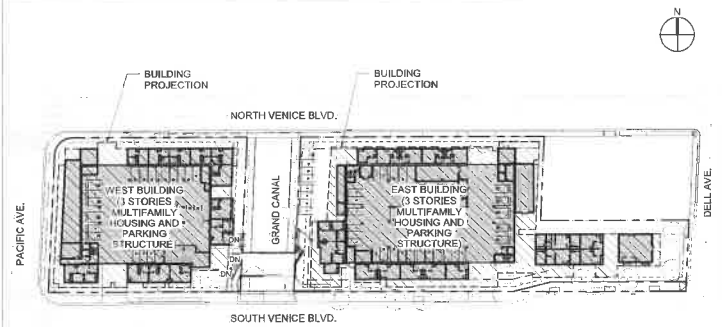
PROJECT INFORMATION

PROJECT DESCRIPTION:
VENICE DELL COMMUNITY IS A 120-UNIT SUPPORTIVE AFFORDABLE HOUSING DEVELOPMENT ON CITY-OWNED LAND, ON THE PUBLIC PARKING LOT BETWEEN NORTH AND SOUTH VENICE, DELL AND PACIFIC IN THE VENICE NEIGHBORHOOD OF THE CITY OF LOS ANGELES.

APPLICABLE CODES:
• 2004 VENICE COASTAL ZONE SPECIFIC PLAN
• 2018 LOS ANGELES BUILDING CODE
• 2018 LOS ANGELES MUNICIPAL CODE
• 2018 CALIFORNIA BUILDING CODE

FUNDING REQUIREMENTS:
• THE COUNTY'S MEASURE H DOLLARS FOR SERVICES FOR THE PSH UNITS
• LOS ANGELES HOUSING DEPARTMENT (LAHD) MANAGED PIPELINE
• PROJECT BASED SECTION 8 VOUCHERS FROM HACLA FOR 68 PSH UNITS
• LA COUNTY NO PLACE LIKE HOME FUNDS AND/OR GENERAL FUNDS (APPLICATION EXPECTED FALL 2024)
• FHLP AHP (APPLICATION EXPECTED SPRING 2025 OR 2026)
• AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHS-C) PROGRAM (APPLICATION EXPECTED 2025)
• TCAC/ CDLAC (APPLICATION EXPECTED AUGUST 2025)

PLOT PLAN



PLOT PLAN. SCALE: 1/8" = 1'-0"

ZONING INFORMATION

ZONING INFORMATION:
COMMUNITY PLAN AREA: VENICE
AREA OF PLANNING COMMISSION: WEST LOS ANGELES
NEIGHBORHOOD COUNCIL: VENICE
COUNCIL DISTRICT: CD 11 - TRACI PARK
LADBS DISTRICT OFFICE: WEST LOS ANGELES
500-FOOT SCHOOL ZONE: NO
CURRENT ZONING: OS-1XL
CURRENT LAND USE: OPEN SPACE
PROPOSED ZONING: C2-1L
PROPOSED LAND USE: NEIGHBORHOOD COMMERCIAL

SPECIFIC PLAN AREA:
VENICE COASTAL ZONE
LOS ANGELES COASTAL TRANSPORTATION CORRIDOR

ADDITIONAL ZONING INFORMATION:
• Z1-2452 TRANSIT PRIORITY AREA IN THE CITY OF LOS ANGELES
• Z1-2471 COASTAL ZONE
• Z1-2406 DIRECTOR'S INTERPRETATION OF THE VENICE SP FOR SMALL LOT SUBDIVISIONS

FLOOR TO AREA RATIO: OPTION B, 1:15:1 (BASED ON BUILDABLE AREA)

LOT AREA:
GROSS PLOT AREA: 115,674 SF
NET LOT AREA: 97,050 SF (GROSS AREA EXCLUDING DEDICATION)

BUILDABLE AREA:
90,573 SF (NET AREA EXCLUDING SETBACK PER VENICE COASTAL ZONE SPECIFIC PLAN)

BUILDING HEIGHT:
MAXIMUM: 35 FEET
PROVIDED: 34 FEET (HEIGHT MEASURED PER P/2C 2002-008)
PROVIDED # OF STORIES: 3

SETBACKS:
REQUIRED FRONT: MIN. 5 FEET
REQUIRED SIDE: MIN. 5 FEET
REQUIRED CANAL: MIN. 10 FEET, 15 FEET AVG.

DWELLING UNIT:
ALLOWABLE # OF UNITS: 144 (115,674 SF AT 800 SF PER DWELLING UNIT, PER LAMC 12.14.C.3 AND 12.21.C.8)
PROVIDED # OF UNITS: 120

OPEN SPACE

OPEN SPACE SUMMARY

PROPOSED OPEN SPACE:
WEST BUILDING: 12,463 SF
EAST BUILDING: 0 SF

REQUIRED OPEN SPACE TABULATION:

UNIT TYPE	O.S. FACTOR	TOTAL COUNT	OPEN SPACE
STUDIO	100 ft ²	76	7,600 ft ²
→ LIVE-WORK		30	
1 BED	100 ft ²	29	2,900 ft ²
2 BED	125 ft ²	14	1,750 ft ²
3 BED	175 ft ²	1	175 ft ²
TOTAL		120	12,425 ft²

PROGRAM

UNIT MIX SUMMARY

UNIT TYPE	AREA	WEST COUNT	EAST COUNT	TOTAL COUNT
STUDIO	349 ft ² 462 ft ²	32	45	77
→ LIVE-WORK				(26)
1 BED	560 ft ² 811 ft ²	10	16	26
2 BED	754 ft ² 924 ft ²	6	10	16
3 BED	1,000 ft ² 2,000 ft ²		1	1
TOTAL		48	72	120

SPECIAL NEEDS UNITS

UNIT TYPE	SPECIAL NEEDS UNITS	NON-SPECIAL NEEDS UNITS	SN UNIT DISTRIBUTION
STUDIO	42	35	67.30%
→ LIVE-WORK	0	(26)	
1 BED	15	11	21.20%
2 BED	11	5	11.50%
3 BED	0	1	
TOTAL	68	52	100%

PARKING SUMMARY

PROPOSED PARKING:
LADOT PARKING: 200
PRIVATE PARKING: 85 (includes BIP, Residential, and Commercial)
BOAT LAUNCH PARKING: 8
TOTAL PARKING: 293

REQUIRED PARKING:

PRIVATE - RESIDENTIAL	RATIO	UNITS	PARKING	SOURCE
MANAGER UNIT	0.5/unit	3	2	AB744
SN UNIT	0.5/unit	68	21	AB744
AFFORDABLE UNIT	0.5/unit	49	25	AB744
SUBTOTAL		120	48	

PRIVATE - COMMERCIAL

PRIVATE - COMMERCIAL	RATIO	AREA (SF)	PARKING
RETAIL		0	0
SUBTOTAL		0	AB2097

PRIVATE - BEACH IMPACT

PRIVATE - BEACH IMPACT	RATIO	AREA (SF)	PARKING
COMMERCIAL	1/640sf	1735	3
RESIDENTIAL	1/1,000sf	16052	17
SUBTOTAL			20

TOTAL PRIVATE PARKING REQ. 68
TOTAL LADOT PARKING REQ. 196
TOTAL PARKING REQ. 264

BICYCLE SUMMARY

PROPOSED BICYCLE:
TOTAL LONG-TERM BIKE PARKING : 108
LONG-TERM BIKE PARKING - WEST BUILDING: 44
LONG-TERM BIKE PARKING - EAST BUILDING: 64
TOTAL SHORT-TERM BIKE PARKING : 14 (ON SITE)

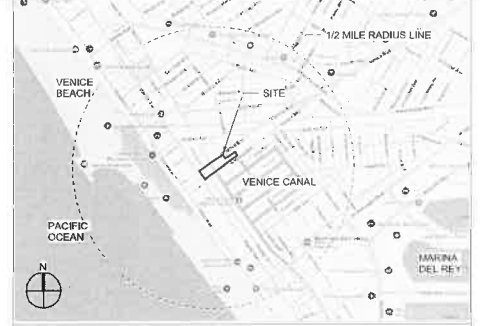
REQUIRED BICYCLE PARKING TABULATION:

LONG-TERM	RATIO	WEST UNITS	EAST UNITS	TOT... UNITS BIKES
RESIDENTIAL	1/1 units (1-25)	25	25	50
	1/1.5 units (26-100)	23	16	47
	1/2 units (101-200)			0
	1/4 units (201+)			0
AREA				
RETAIL	1/2,000 sq.ft. (2 min.)	2112	2	2
RESTAURANT	1/2,000 sq.ft. (2 min.)			0
COMMERCIAL	1/10,000 sq.ft. (2...)			0
SUBTOTAL		43	57	100

SHORT-TERM

SHORT-TERM	RATIO	WEST UNITS	EAST UNITS	TOT... UNITS BIKES
RESIDENTIAL	1/10 units (1-25)	25	3	3
	1/15 units (26-100)	23	2	49
	1/20 units (101-200)			4
	1/40 units (201+)			0
AREA				
RETAIL	1/2,000 sq.ft. (2 min.)	2112	2	2
RESTAURANT	1/2,000 sq.ft. (2 min.)			0
COMMERCIAL	1/10,000 sq.ft. (2...)			0
SUBTOTAL		7	7	14

VICINITY MAP



PARTICIPANTS

OWNER/CLIENT: VENICE COMMUNITY HOUSING
200 LINCOLN BLVD, VENICE, CA 90291
TEL: 454-268-5120
CONTACT: ALLISON RILEY

HOLLYWOOD COMMUNITY HOUSING
5020 SANTA MONICA BLVD, LOS ANGELES, CA 90029
TEL: 323-454-4211
CONTACT: VICTORIA SENNA

ARCHITECTS: BROOKS + SCARPA
3920 W. 139TH ST., HAWTHORNE, CA, 90250
TEL: 323-598-4700 EXT 703
CONTACT: CARLOS GARCIA

REVISION 1
CONSTRUCTION ISSUE
CONSTRUCTION DOCUMENTS
BID ISSUE
DESIGN DEVELOPMENT
PERMIT SET
SCHEMATIC DESIGN
PLAN CHECK SUBMITTAL
ENTITLEMENT SET

YYYY-MM-DD
YYYY-MM-DD
YYYY-MM-DD
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YYYY-MM-DD
YYYY-MM-DD

VENICE DELL COMMUNITY
VENICE BLVD. / DELL AVE.
LOS ANGELES, CA 90291
PROJECT NUMBER: 24007.0

BROOKS + SCARPA

SHEET TITLE: COVER SHEET
SCALE: 1/8" = 1'-0"
DATE PRINTED: 10/22/2024 12:42:24 PM
ALL DRAWINGS AND WRITTEN MATERIAL APPEARING HEREIN CONSTITUTE ORIGINAL AND UNPUBLISHED WORK OF THE ARCHITECT AND MAY NOT BE REPRODUCED, USED OR DISCLOSED WITHOUT THE WRITTEN CONSENT OF THE ARCHITECT.

BROOKS + SCARPA ARCHITECTS, INC.
3920 W. 139TH STREET
HAWTHORNE, CA 90250
P: 323.598.4700

X0.00

SHEET INDEX

SHEET INDEX	
VV	SHEET TITLE
X0.00	COVER SHEET
X0.01	PROJECT INFORMATION
X0.02	3D VIEWS
X0.03	EXISTING SITE PHOTOS
X0.04	SURVEY
X0.05	SURVEY
X0.06	EXISTING SITE PLAN
X1.00	PLOT PLAN
X1.01	EASEMENT PLAN
X1.02	CIRCULATION DIAGRAM
X3.10	1ST FLOOR PLAN - WEST BUILDING
X3.11	2ND & 3RD FLOOR PLAN - WEST BUILDING
X3.12	ROOF PLAN - WEST BUILDING
X3.20	1ST FLOOR PLAN - EAST BUILDING
X3.21	2ND FLOOR PLAN - EAST BUILDING
X3.22	3RD FLOOR PLAN - EAST BUILDING
X3.23	ROOF PLAN - EAST BUILDING
X4.01	ELEVATIONS
X5.01	SITE SECTIONS
X9.10	LANDSCAPE PLAN - WEST BUILDING
X9.20	LANDSCAPE PLAN - EAST BUILDING

BUILDING & SAFETY

APPLICABLE CODES

SYMBOLS

	GRID		ROOM NAME
	ELEVATION MARKER		ROOM NUMBER
	ELEVATION BULLET SIGNAGE		ROOM AREA
	SECTION MARKER		DOOR NUMBER
	WALL TYPE		WINDOW NUMBER
	INTERIOR ELEVATION MARKER		SMOKE DETECTOR**
	DETAIL MARKER		FIRE EXTINGUISHER CABINET
	NORTH ARROW (PLAN NORTH)		CEILING MOUNTED EXIT SIGNAGE
	REVISION DELTA		WALL MOUNTED EXIT SIGNAGE
	PROPERTY LINE		CEILING MOUNTED MOTION SENSOR
	KEYNOTE MARKER		WALL MOUNTED MOTION SENSOR
	FLOOR CLEARANCES SHOWN DOTTED		SECURITY CAMERA
			SECURITY GATED INTERCOM
			CENTERLINE
			ALARMED DOOR/ SECURITY GATE
			FLOOR DRAIN
			AREA DRAIN
			PLANTER DRAIN
			EXIT PATH OF TRAVEL
			ACCESSIBLE PATH OF TRAVEL
			HOSE BIBB
			CONTROL POINT

* PROVIDE PORTABLE FIRE EXTINGUISHERS PER 2022 CBC SECT. 906, RATED 2A, 10B-C AT A MIN. OF 7'5" APART. FIRE EXTINGUISHERS SHALL BE RECESSED UNLESS NOTED OTHERWISE
 ** COMBO SMOKE/CARBON MONOXIDE DETECTOR PER 2022 CBC 420.6.

PLAN LEGEND

(SEE PLANS & DETAILS FOR VARIOUS WALL TYPES)

	NEW CONCRETE WALL PER STRUCTURAL
	NEW MASONRY WALL, PAINT PER SPECS. SEE PLANS & DETAILS FOR VARIOUS WALL TYPES
	NEW STUD WALL, PAINT PER SPECS. SEE PLANS & DETAILS FOR VARIOUS WALL TYPES
	NEW 1-HR RATED STUD WALL AT CORRIDOR AND UNIT SEPARATION, PAINT PER SPECS. SEE PLANS & DETAILS FOR VARIOUS WALL TYPES
	NEW 1-HR RATED OCCUPANCY SEPARATION WALL, PAINT PER SPECS. SEE PLANS & DETAILS FOR VARIOUS WALL TYPES
	NEW 1-HR RATED STUD WALL AT SHAFT, PAINT PER SPECS. SEE PLANS & DETAILS FOR VARIOUS WALL TYPES
	(N) SCORED CONC. SLAB / PAVING
	(N) LANDSCAPE / PLANTING AREA

DEFERRED SUBMITTALS

VENICE DELL COMMUNITY

VENICE BLVD. / DELL AVE.
 LOS ANGELES, CA 90291
 PROJECT NUMBER: 24007.0



SHEET TITLE: PROJECT INFORMATION

SCALE: As indicated
 DATE PRINTED: 10/22/2024 12:42:25 PM
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 3929 W. 139TH STREET
 HAWTHORNE, CA, 90280
 T. 323.936.4700

X0.01



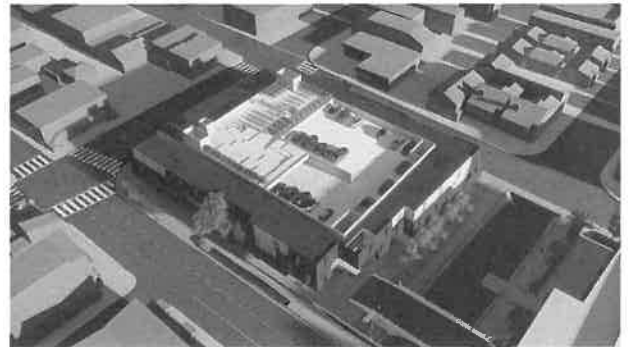
PERSPECTIVE LOOKING EAST ALONG SOUTH VENICE BLVD.



PERSPECTIVE LOOKING WEST ALONG SOUTH VENICE BLVD.



PERSPECTIVE LOOKING AT CANAL ST FROM NORTH VENICE BLVD.



AREAL VIEW - WEST BUILDING

VENICE DELL COMMUNITY

VENICE BLVD. / DELL AVE.
LOS ANGELES, CA 90291
PROJECT NUMBER: 24007.0



SHEET TITLE: 3D VIEWS

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3523 W. 130TH STREET
HAWTHORNE, CA 90250
t 323.296.4700

X0.02



VENICE CANAL EAST WALKWAY
LOOKING FROM N. VENICE BLVD S. VENICE BLVD



VENICE CANAL EAST WALKWAY
LOOKING FROM WEST WALKWAY TOWARD S. VENICE BLVD



VENICE CANAL EAST WALKWAY
LOOKING TOWARD N. VENICE BLVD



VENICE CANAL WALKWAY
LOOKING TOWARD S. VENICE BLVD



VENICE CANAL WEST WALKWAY
LOOKING FROM N VENICE BLVD, TOWARD S. VENICE BLVD



VENICE CANAL WALKWAY
LOOKING TOWARD S. VENICE BLVD



VENICE CANAL BOAT LAUNCH RAMP



VENICE CANAL GATE UNDER BRIDGE

VENICE DELL COMMUNITY

VENICE BLVD. / DELL AVE.
LOS ANGELES, CA 90291
PROJECT NUMBER: 24007.0



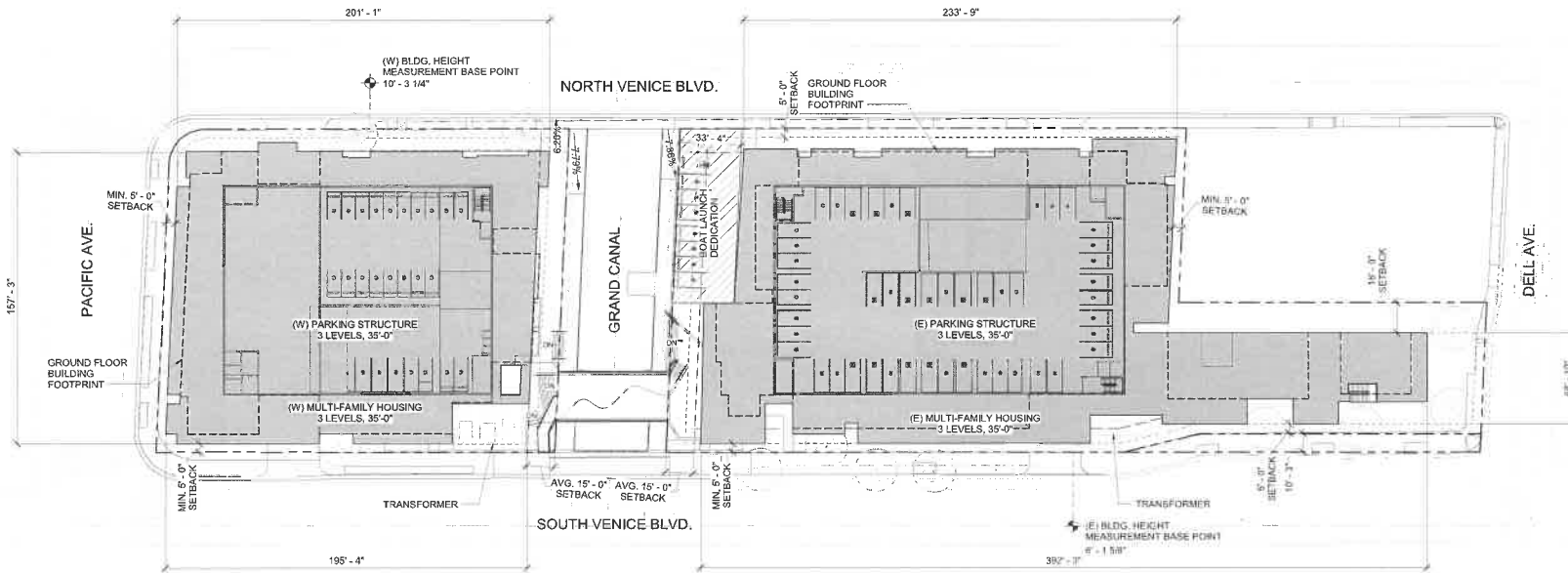
SHEET TITLE: EXISTING SITE PHOTOS

SCALE:
DATE PRINTED: 10/22/2024 12:42:28 PM

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HAWTHORNE, CA 90250
P. 323.996.4700

X0.03



PRESENTATION PLOT PLAN 1
 SCALE: 1" = 30'-0"

VENICE DELL COMMUNITY
 VENICE BLVD, / DELL AVE,
 LOS ANGELES, CA 90291
 PROJECT NUMBER: 24037.0

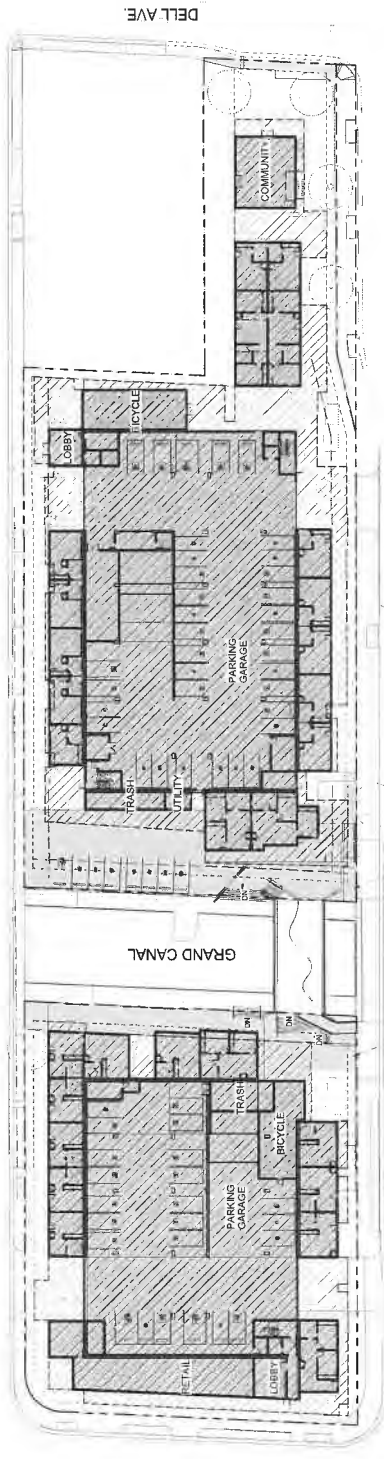


SHEET TITLE: PLOT PLAN
 SCALE: 1" = 30'-0"
 DATE PRINTED: 10/22/2024 12:42:46 PM
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 HAWTHORNE, CA 90250
 P. 323.956.4700

X1.00

NORTH VENICE BLVD.



PACIFIC AVE

GRAND CANAL

DELL AVE

WEST CANAL
EASEMENT: 3496 SF

EAST CANAL
EASEMENT: 8661 SF

SOUTH VENICE BLVD.

SIDEWALK ACCESS EASEMENT - DELL AVE.
PEDESTRIAN ACCESS EASEMENT - VENICE GRAND CANAL

PRESENTATION EASEMENT PLAN 1

SCALE: 1" = 30'-0"

REF:

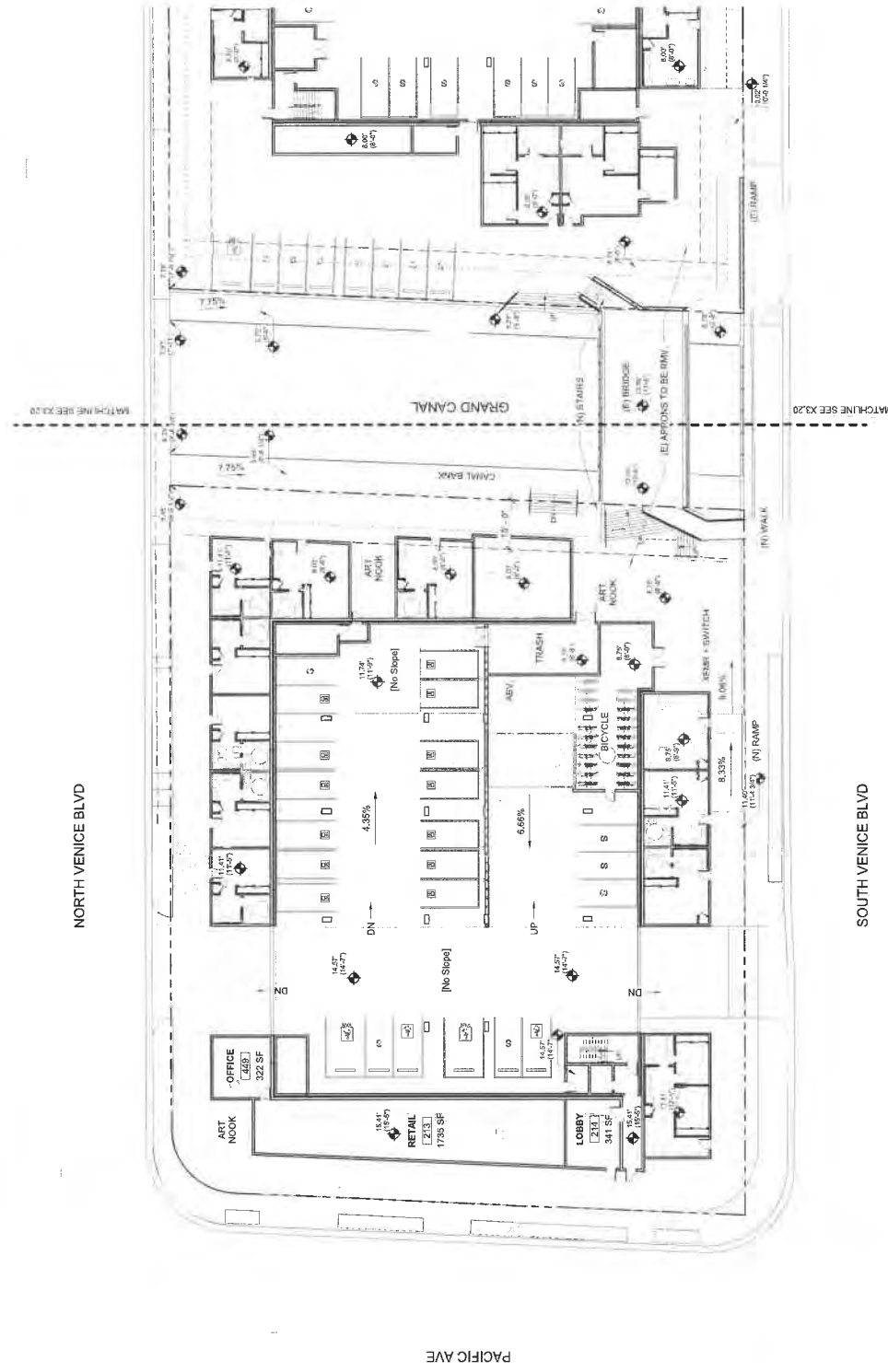
VENICE DELL COMMUNITY
VENICE BLVD. / DELL AVE
LOS ANGELES, CA 90029
PROJECT NUMBER: 24007.0



SHEET TITLE: EASEMENT PLAN
SCALE: 1" = 30'-0"
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BROOKS + SCARPA ARCHITECTS, INC.
1000 W. MAIN ST., SUITE 200
WARTBURG, CA 95256
T: 933.298.6700

X1.01



NORTH VENICE BLVD

SOUTH VENICE BLVD

PACIFIC AVE

PRESENTATION GROUND FLOOR W 1

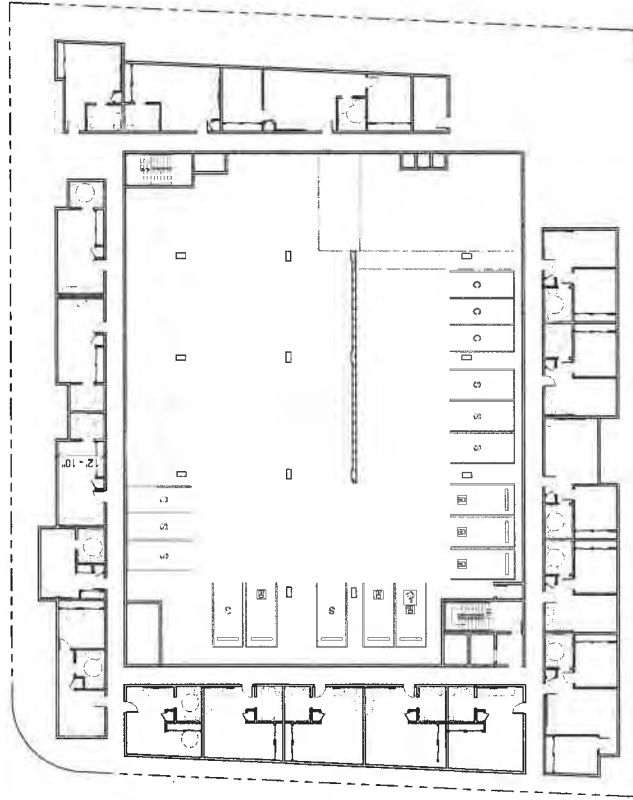
SCALE: 1/8" = 1'-0"
 VENICE BLVD / DELL AVE
 LOS ANGELES, CA 90091
 PROJECT NUMBER: 240713



SHEET TITLE:
 1ST FLOOR PLAN - WEST
 SCALE:
 DATE PRINTED:
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 P. 323.929.9786

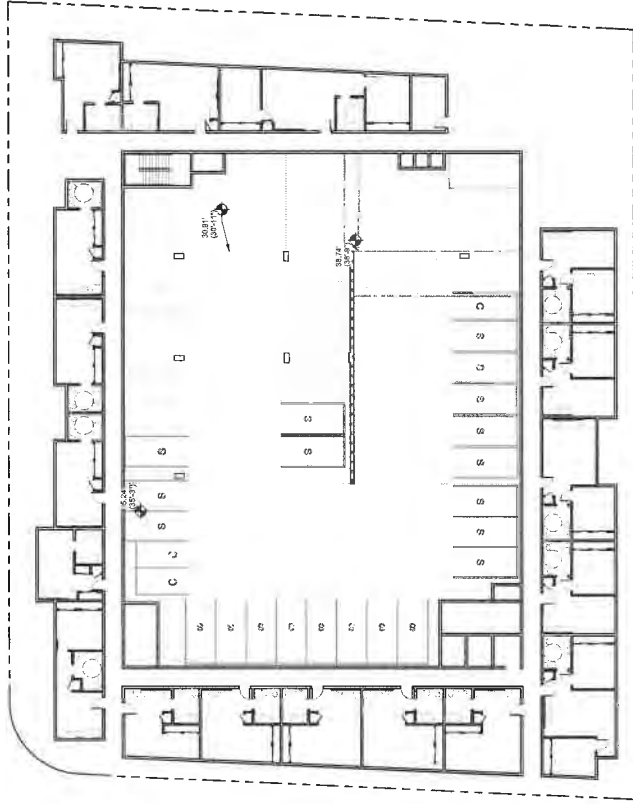
X3.10



PRESENTATION 2ND FLOOR W **2**

SCALE: 1/8" = 1'-0"

REF:



PRESENTATION 3RD FLOOR W **1**

SCALE: 1/8" = 1'-0"

REF:

VENICE DELL COMMUNITY

VENICE BLDG. / DELL AVE
LOS ANGELES, CA 90031
PROJECT NUMBER: 24007.0



SHEET TITLE: 2ND & 3RD FLOOR PLAN - WEST BUILDING
SCALE: 1/8" = 1'-0"
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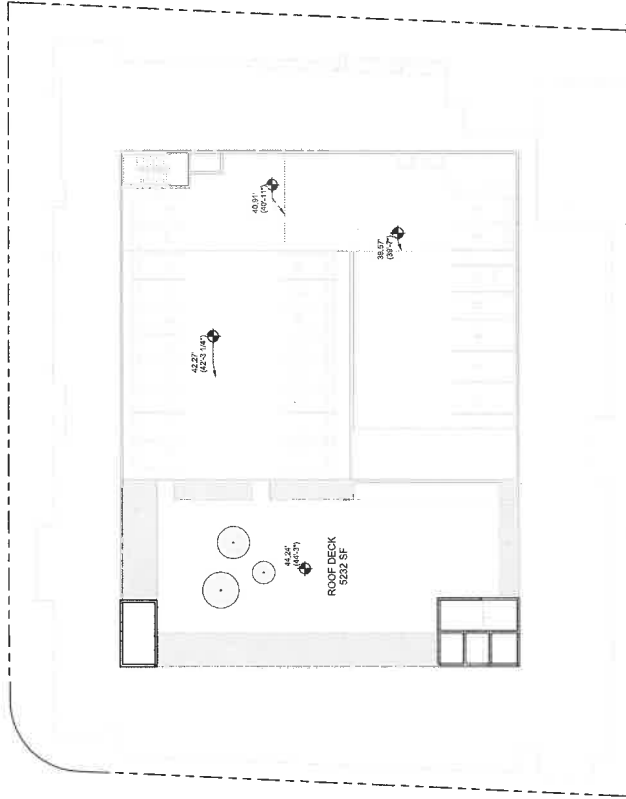
BROOKS + SCARPA ARCHITECTS, INC.
1000 W. 10TH ST., SUITE 200
MONTROSE, CA 94025
T 925.256.6700

X3.11

NORTH VENICE BLVD

PACIFIC AVE

SOUTH VENICE BLVD



MATCHLINE SEE X3.22

GRAND CANAL

MATCHLINE SEE X3.22



2
PRESENTATION ROOF W
SCALE: 1/8" = 1'-0"

REF:

VENICE DELL COMMUNITY
VENICE BLVD. / DELL AVE.
LOS ANGELES, CA, 90031
PROJECT NUMBER: 2400173



SHEET TITLE: ROOF PLAN - WEST BUILDING
SCALE: 1/8" = 1'-0"
DATE PRINTED: 10/22/2024 12:43:16 PM
DRAWN BY: JESSICA SCARPA
CHECKED BY: JESSICA SCARPA
DESIGNED BY: JESSICA SCARPA
ARCHITECT

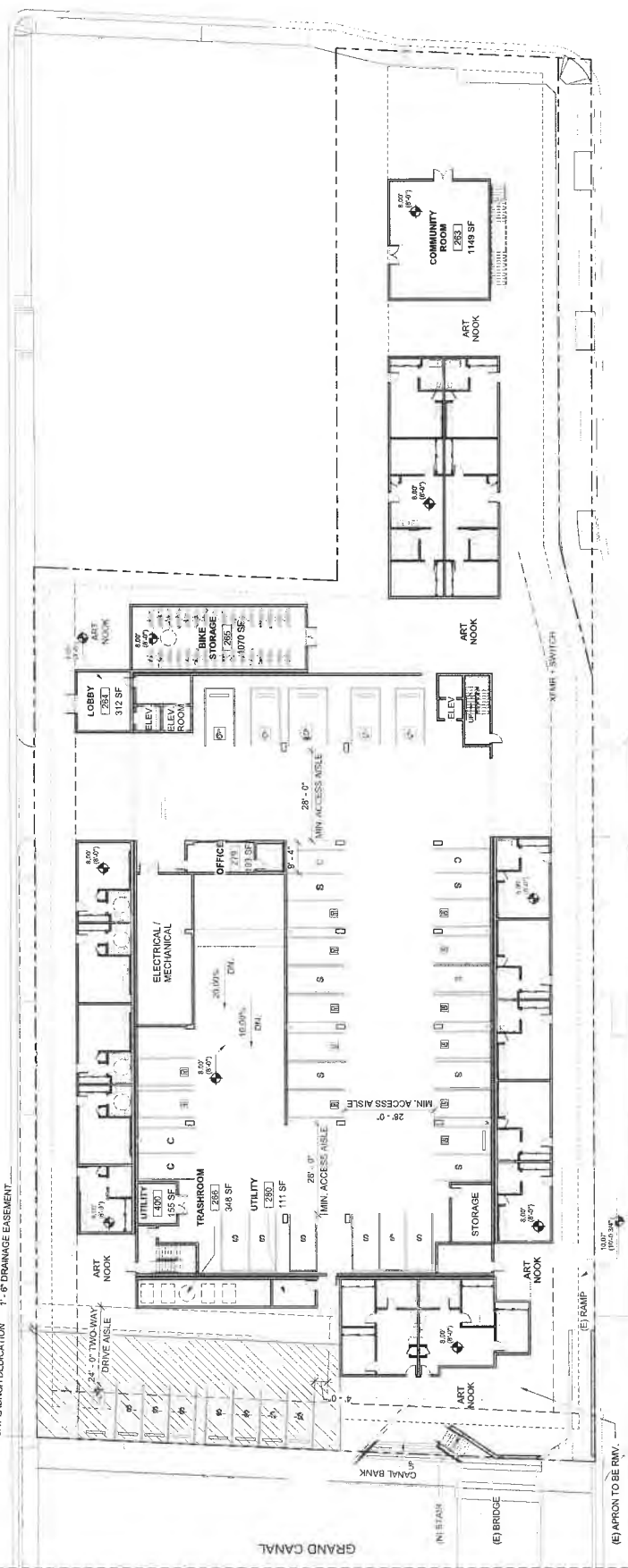
BROOKS + SCARPA ARCHITECTS, INC.
3020 N. 150TH STREET
MAYWOOD, CA, 94550
(925) 436-9000

X3.12

MATCHLINE SEE X3.10

NORTH VENICE BLVD

38'-4" BOAT LAUNCH DEDICATION
1'-6" DRAINAGE EASEMENT



DELL AVENUE

SOUTH VENICE BLVD

PRESENTATION GROUND FLOOR E 1
DATE: 10/22/2024

VENICE DELL COMMUNITY
VENICE BLVD / DELL AVE
LOS ANGELES, CA 90231
PROJECT NUMBER: 24007.0

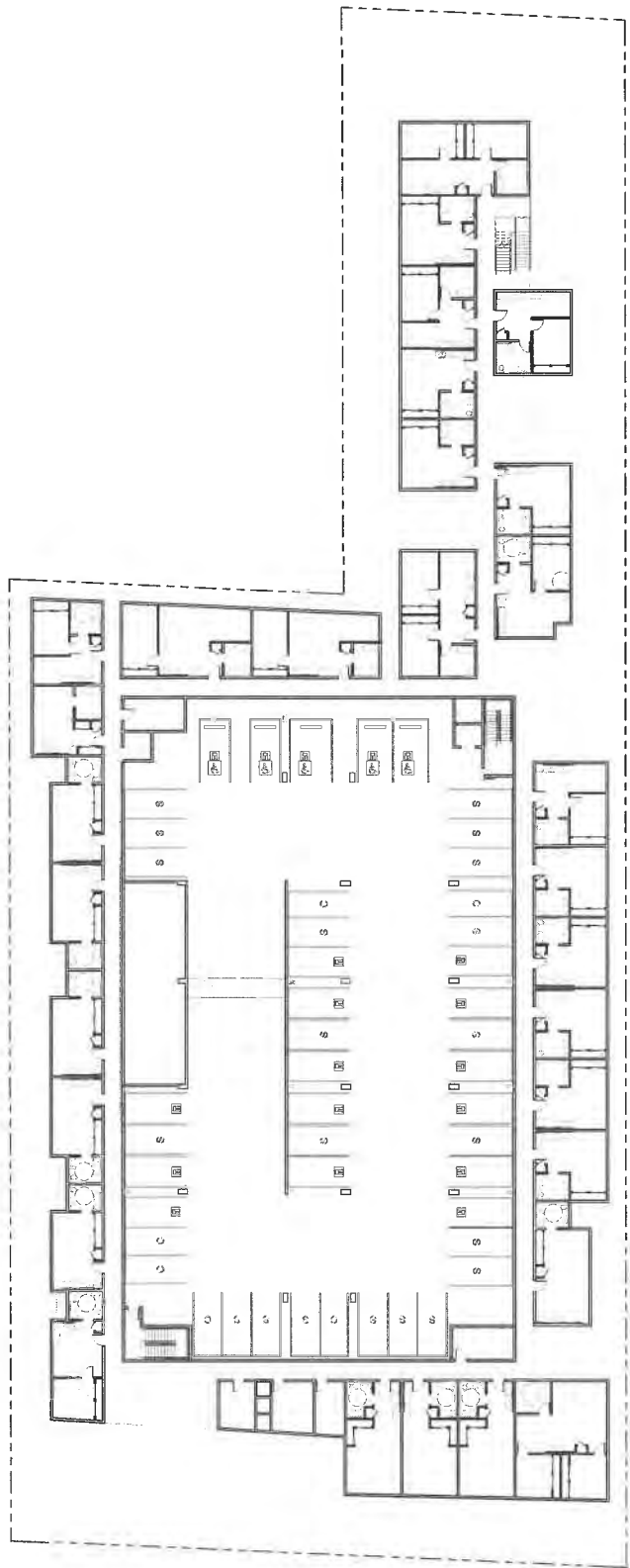


SHEET TITLE: 1ST FLOOR PLAN - EAST BUILDING
 SCALE: 1/8" = 1'-0"
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BROOKS SCARPA ARCHITECTS, INC.
 3500 W. 10TH STREET, SUITE 200
 INGLEWOOD, CA 90308
 T 310.596.1999

X3.20

MATCHLINE SEE X3.10



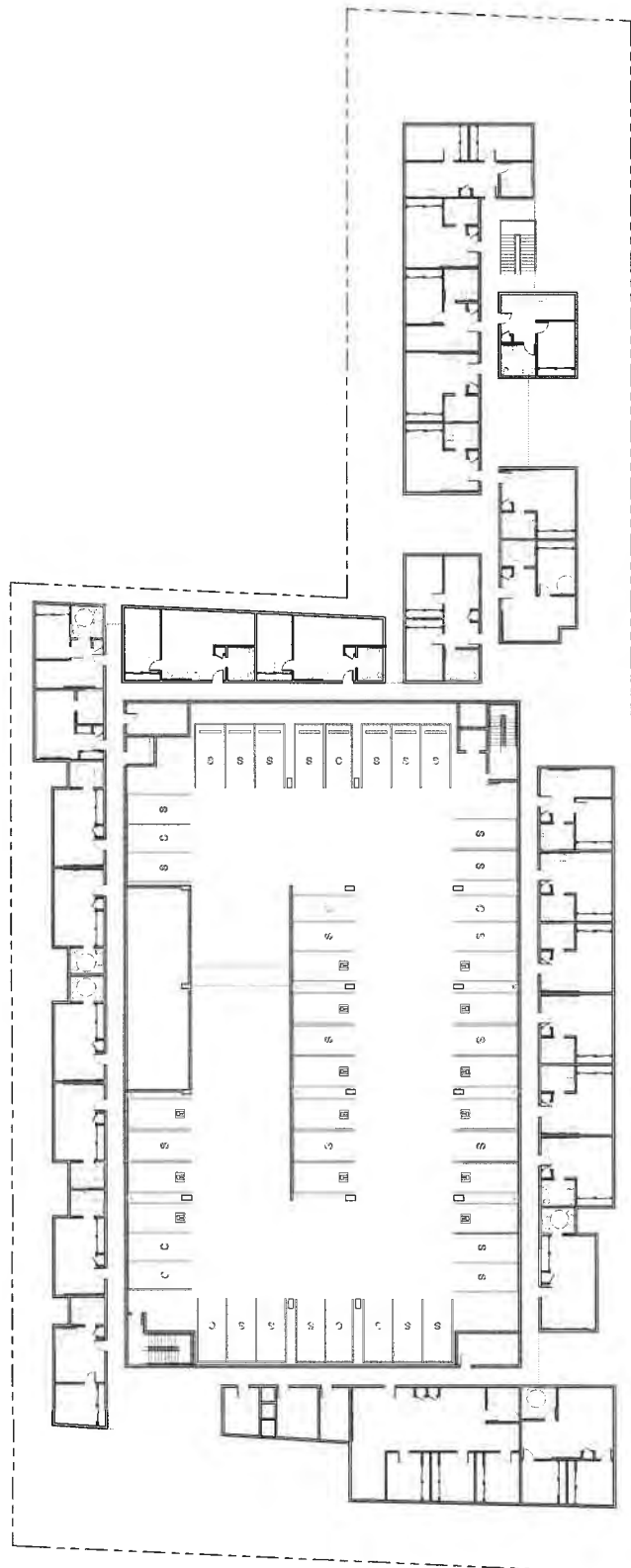
1
 PRESENTATION 2ND FLOOR E
 SCALE: 1/8" = 1'-0"

VENICE DELL COMMUNITY
 VENICE BLVD. / DELL AVE.
 LOS ANGELES, CA 90057
 PROJECT NUMBER: 46974



SHEET TITLE: 2ND FLOOR PLAN - EAST
 SCALE: 1/8" = 1'-0"
 DATE PRINTED: 10/22/2024 12:43:31 PM
 PROJECT NUMBER: 46974
 ARCHITECT: BROOKS + SCARPA ARCHITECTS, INC.
 3839 W. 138TH STREET
 LAWYER PARK, CA 90229
 TEL: 310.441.1000

X3.21



PRESENTATION 3RD FLOOR E (2)
 REF: SCALE: 1/4" = 1'-0"

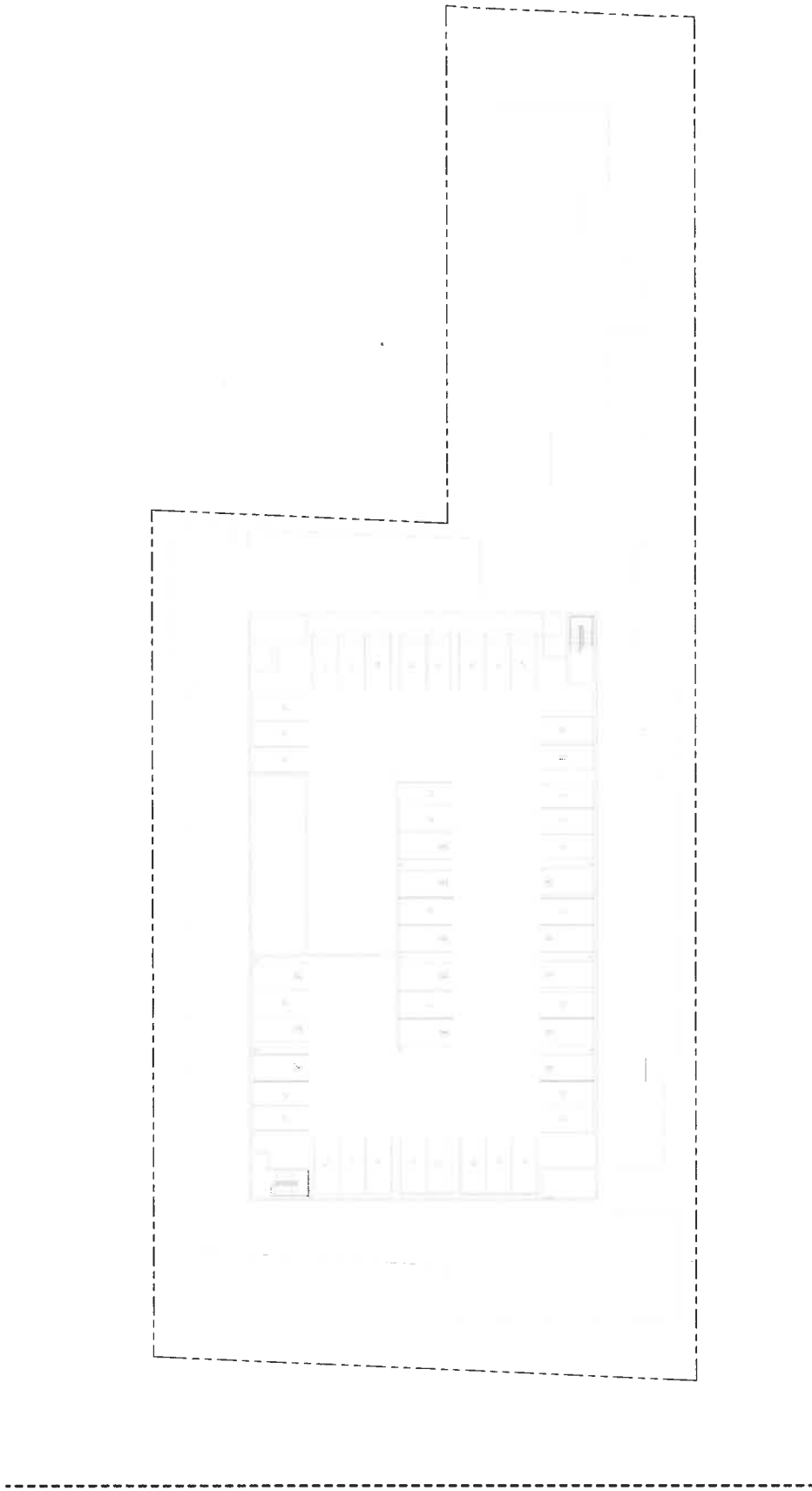
VENICE DELL COMMUNITY
 VENICE BLVD. / DELL AVE
 LOS ANGELES, CA 90021
 PROJECT NUMBER: 24007.0



SHEET TITLE: 3RD FLOOR PLAN - EAST BUILDING
 SCALE: 1/4" = 1'-0"
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 1000 WILSON BLVD., SUITE 200
 HAWTHORNE, CA 90250
 P 310.399.2700

X3.22



2
PRESENTATION ROOF E
SCALE: 1/8" = 1'-0"

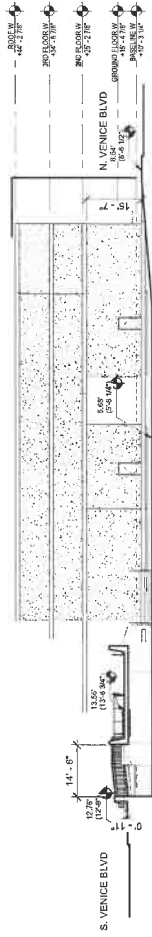
VENICE DELL COMMUNITY
VENICE BLVD./DELL AVE.
LOS ANGELES, CA 90091
PROJECT NUMBER: 240713



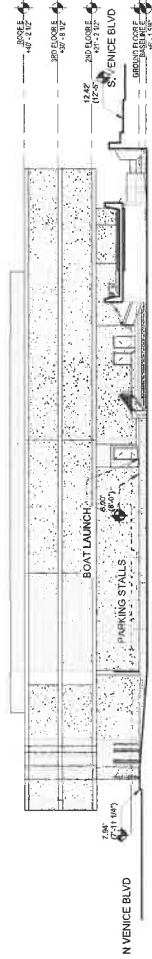
SHEET TITLE: ROOF PLAN - EAST BUILDING
SCALE: 1/8" = 1'-0"
DATE PRINTED: 10/22/2024 12:43:34 PM
DRAWN BY: J. SCARPA
CHECKED BY: J. SCARPA
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300 W. 13TH STREET
HAWTHORNE, CA 90250
P. 310.226.4740

X3.23



1 WEST BUILDING - EAST ELEVATION
SCALE: 1/8" = 1'-0"



2 EAST BUILDING - WEST ELEVATION
SCALE: 1/8" = 1'-0"

VENICE BELL COMMUNITY

VENICE BLVD - DEL. STATE
PROJECT NUMBER: 24007.0



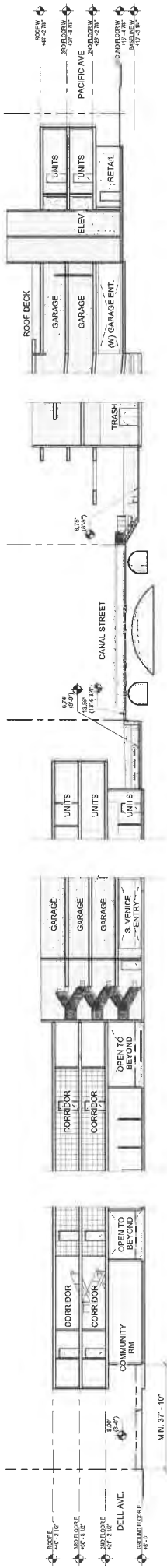
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999 W. 138th STREET
ANN ARBOR, MI 48106
P: 313.258.6700

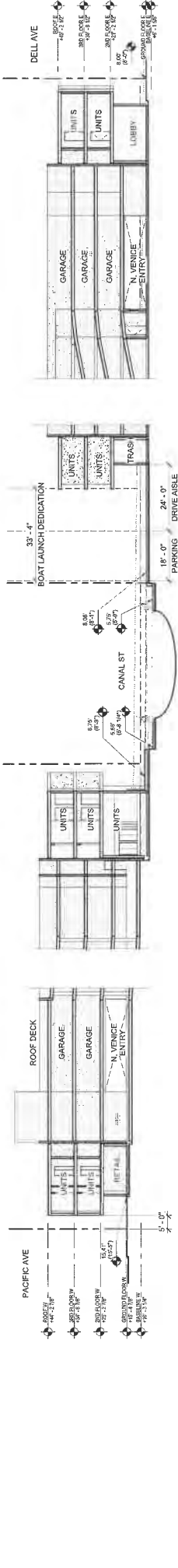
X4.01

WEST BUILDING



1
LONGITUDINAL SITE SECTION, FACING SOUTH
REF.:
SCALE: 1/16" = 1'-0"

EAST BUILDING



2
LONGITUDINAL SITE SECTION, FACING NORTH
REF.:
SCALE: 1/16" = 1'-0"

VENICE DELTA COMMUNITY
VENICE BLVD. / DELTA AVE.
VENICE, CA 90291
PROJECT NUMBER: 2407.0

SHEET TITLE:
SITE SECTIONS

SCALE: 1/16" = 1'-0"
DATE PRINTED: 10/22/2024 12:43:52 PM
DESIGNED BY: BROOKS + SCARPA ARCHITECTS, INC.
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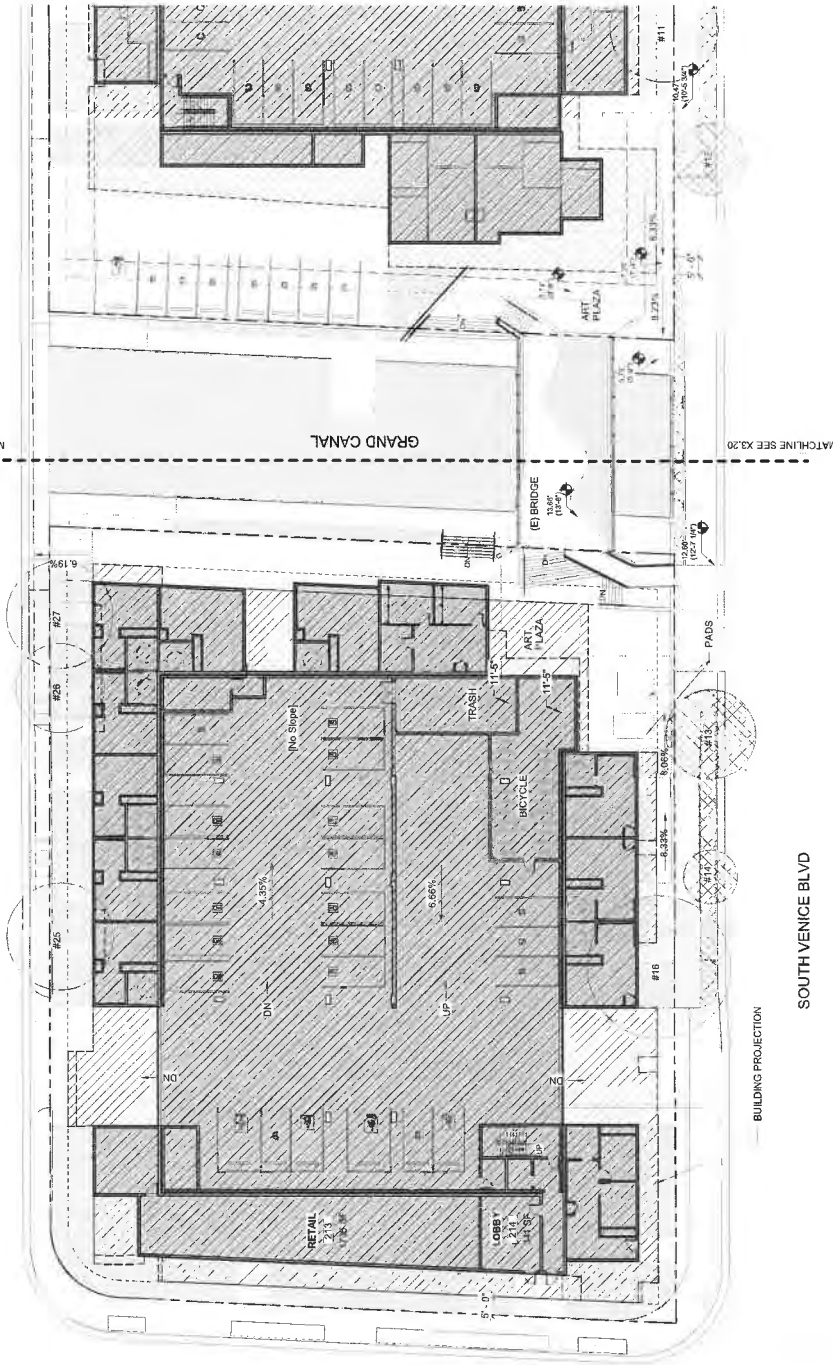
BROOKS + SCARPA ARCHITECTS, INC.
3269 W. 131ST STREET
SAN DIEGO, CA 92126
TEL: 619.594.9700

X5.01

NORTH VENICE BLVD

PACIFIC AVE

SOUTH VENICE BLVD



1
PRESENTATION LANDSCAPE W

SCALE: 1/8" = 1'-0"
VENICE DELL COMMUNITY
VENICE BLVD / DELL AVE
LOS ANGELES, CA 90021
PROJECT NUMBER: 24077.0



SHEET TITLE: LANDSCAPE PLAN - WEST
DATE PRINTED: 10/22/2024 12:44:02 PM
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X9.10

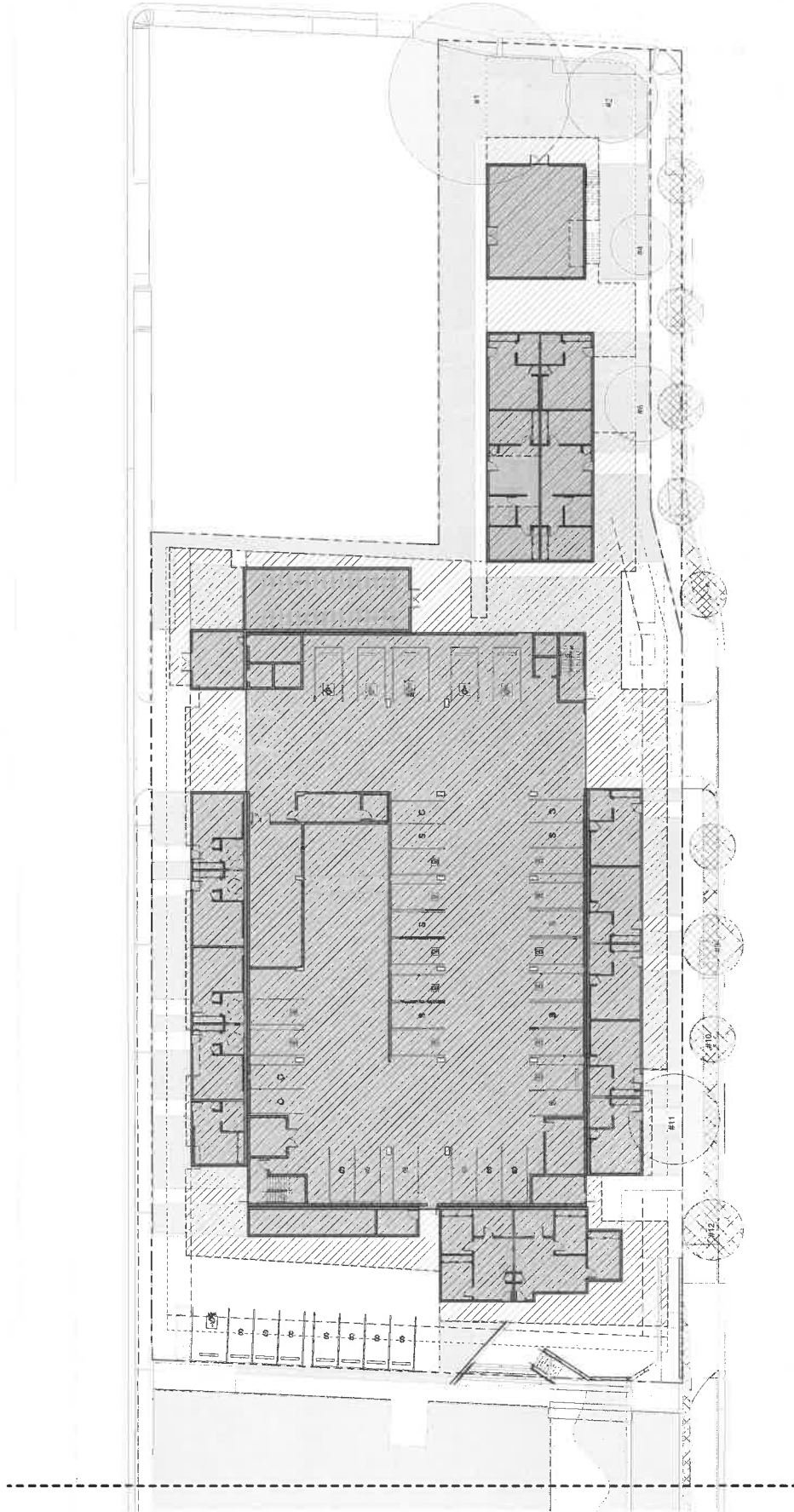
LANDSCAPE AREA
POTENTIAL LANDSCAPE AREA
(E) STREET LANDSCAPE AREA



NOTE: TREE # PER
10/21/18 TREE REPORT PREPARED FOR HIC*

PERMEABLE AREA
SITE AREA: 98,740 SF
MAX. LANDSCAPE AREA: 16,645 SF
TARGET PERMEABLE AREA: 12,633 SF

BROOKS + SCARPA ARCHITECTS, INC.
30204 13TH STREET
IRVINGHURST, CA 94609
T: 415.398.9706



PRESENTATION LANDSCAPE E
SCALE: 1/8" = 1'-0"

VENICE DELL COMMUNITY
VENICE BLVD./DELL AVE.
LOS ANGELES, CA 90091
PROJECT NUMBER: 24057.0



SHEET TITLE: LANDSCAPE PLAN - EAST
SCALE: 1/8" = 1'-0"
DATE PRINTED: 10/22/2024 12:41:16 PM
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3000 W. 130TH STREET
TOWSON, CA 90260
P. 323.947.4700

X9.20

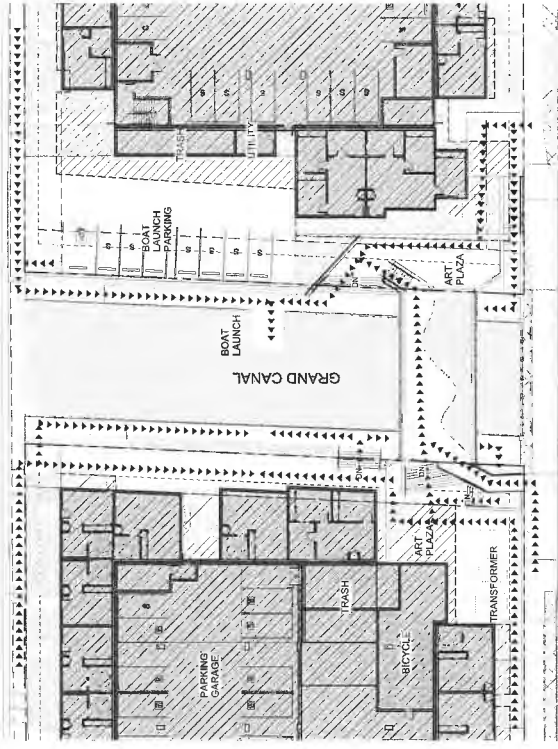
LANDSCAPE AREA
POTENTIAL LANDSCAPE AREA
(E) STREET LANDSCAPE AREA



TREE LEGEND
(E) SITE TREES TO REMAIN
(E) STREET TREES TO REMAIN

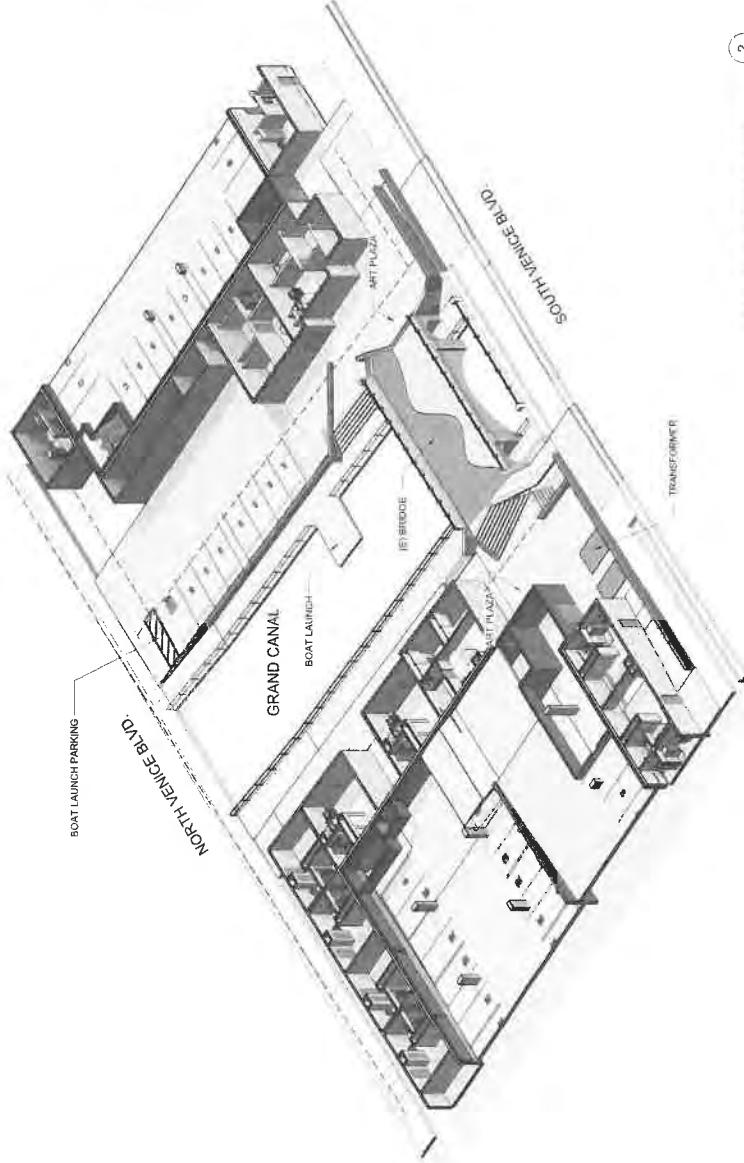
NOTE: TREE # PER '02/15/18 TREE REPORT PREPARED FOR HCHC'
PERMEABLE AREA 96,740 SF
SITE AREA: 16,845 SF
MAX. LANDSCAPE AREA: 12,633 SF
TARGET PERMEABLE AREA:

NORTH VENICE BLVD.



SOUTH VENICE BLVD.

1
CANAL PUBLIC CIRCULATION SITE PLAN
SCALE: 1"=20'-0"



2
CANAL PUBLIC CIRCULATION AXON
SCALE: 1"=20'-0"

VENICE BELL COMMUNITY
VENICE BUS / BELL USE
LOW RISES, CA 00091
PROJECT NUMBER: 24007.0



SHEET TITLE: CIRCULATION DIAGRAM
SCALE: 1"=20'-0"
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3925 W. 135TH STREET
LOS ANGELES, CA 90044
TEL: 310.208.4100

X1.02

Exhibit 5

355 South Grand Avenue, Suite 100
Los Angeles, California 90071-1560
Tel: +1.213.485.1234 Fax: +1.213.891.8763
www.lw.com

LATHAM & WATKINS LLP

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Madrid	

December 9, 2024

VIA EMAIL

Board of Transportation Commissioners
City of Los Angeles
Los Angeles City Hall
200 N. Spring St.
Los Angeles, CA 90012

December 10, 2024 Special Meeting
Agenda Item No. 3

Re: Venice Dell Community Project – Response to LADOT Staff Report

Dear President Liban and Honorable Commissioners:

On behalf of our pro bono clients, the Venice Community Housing Corporation and the Hollywood Community Housing Corporation, (collectively, “the Affordable Housing Developers”) we write to urge the Board of Transportation Commissioners (the “Board”) to refrain from taking action on the Venice Dell Community project (the “Project”) at the Board’s December 10, 2024, special meeting. As an initial matter, the Board has not provided proper notice for this special meeting as required under the Brown Act. The California Government Code requires that the agenda state “all business to be transacted or discussed.” (Cal. Gov. Code, § 54956(b). The Board’s agenda merely states as an action item: “Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing,” but does not explain the action to be taken by the Board. Given this description, the Board has no authority under the Brown Act to *vote* on whether to authorize the Project, as it does not identify any such vote as “business to be transacted.” (See *Moreno v. City of King* (2005) 127 Cal.App.4th 17 [holding that a special meeting agenda that merely stated “Public Employee (employment contract)” without indicating that the employee’s dismissal would be considered was insufficient notice of the item of business to be transacted or discussed].) The Board must cure or correct this violation consistent with Brown Act requirements before it can take any action.

We also respond to the Los Angeles Department of Transportation’s (“LADOT”) Board Report on the Project. We strongly disagree with the recommendations and contentions made in the Board Report, discussed in detail in **Attachment A** to this letter.

The Project is a vital supportive housing development that creates needed affordable housing units and increases public parking supply in a coastal community. The Los Angeles City Council unanimously approved the Project’s entitlements on December 1, 2021. The City

and Affordable Housing Developers successfully defended these approvals in court. Moreover, Affordable Housing Developers have worked collaboratively with LADOT on the Project's public parking design since the inception of the Project. In fact, as recently as October of this year, LADOT expressed support for the current parking garage design. As such, we are perplexed why the Board Report recommends that the Board reject this Project that already has been approved by the City Council; advances the City's efforts to combat the housing crisis; and guarantees more public parking than is currently provide on Lot 731 (and more parking than the alternative proposed in the Board Report). Included as **Attachment B** is the December 9, 2024, Los Angeles Times editorial: It's past time for city officials to let Venice Dell homeless housing move ahead.

The Board has no approval authority over the Project, rendering any action at the special meeting null and void. Under Los Angeles Administrative Code ("Admin. Code") Section 22.484(g)(2)(A)(4), "the [Board] is authorized to conduct hearings on all matters within the purview of [LADOT] *and to advise the General Manager as to its findings and recommendations.*" (Admin. Code, § 22.484(g)(2)(A)(4) [emphasis added].) As such, the Board's only role in the Project is to make non-binding recommendations to the LADOT General Manager on the operational and management aspects of the Project's public parking component. The Board Report itself acknowledges that no public parking agreement discussing such operational and management aspects has been drafted, much less presented to the Board. (Board Report, p. 4.) In fact, no parking agreement with the City has been negotiated, and the City approval process for any agreement related to the Project's public parking component is expected until late 2025.

The Board Report incorrectly asserts that the Board "has the authority and responsibility to direct and manage the repurposing of all LADOT public parking lots," citing Admin. Code Section 22.484(g)(2)(A)(7). (Board Report, p. 2.) The Board's authority pertains to "*the acquisition, and thereafter the management*" of off-street parking places. (Admin. Code, § 22.484(g)(2)(A)(7) [emphasis added].) The Superior Court determined that the Board has no authority under Section 22.484(g)(2)(A)(7) as it relates to the Project because "[t]here is no acquisition at issue in this case." Further, the City, in its sworn testimony before the Superior Court, attested that "the Project (or some agreement related to the Project's parking component) will be put before the [Board] prior to seeking approval for the ground lease." At this time, no agreements regarding operation and maintenance of the Project's public parking are pending at the City and no City approval processes for such documents are expected until 2025. Therefore, for the Board to act on the Project at this special meeting would be premature, inconsistent with the timeline laid out by the City during litigation, and beyond the Board's legal power and authority.

The Board Report further recommends that the Board exceed its authority by recommending the Board take action to recommend that the Los Angeles Housing Department ("LAHD") determine the feasibility of relocating the Project to Lot 701. The Board is a commission reporting to the General Manager of LADOT, not LAHD, and it has no authority to advise LAHD. Indeed, the Los Angeles County Superior Court held that the "disposition of the City's real property, including parking places, intended to be for affordable housing development

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purposes is delegated to [LAHD].” (*Coalition for Safe Coastal Development v. City of Los Angeles*, p. 19.) The City Council has not delegated its power to the Board concerning the conveyance of an interest in City-owned property or the transfer of jurisdiction of City-owned property between City departments. Nothing in the Admin. Code grants the initial or ultimate decision-making authority to the Board to dispose, or transfer jurisdiction, of City-owned parking lots, regardless of whether they are operated by LADOT.

Even if the Board had such authority – which it does not – the City undertook an extensive review process, discussed in detail in Attachment A, to identify underutilized City properties suitable for redevelopment as affordable housing. During this process, the City identified Lot 731, not Lot 701. Not only is this recommendation outside the Board’s authority, it is antithetical to the City’s goals for providing public beach parking for the Board Report to state that the Board is tasked with “management of off-street parking places” while recommending a project alternative that would provide zero replacement public parking spaces on an existing public parking lot.

We respectfully request that the Board take no action regarding the Project at the December 10, 2024 special meeting. We look forward to coming to the Board with agreements related to the Project’s parking operation and management at the appropriate time. In the meantime, any action by the Board on the Project – including the recommendations in the Board Report – is outside the Board’s scope of authority and cannot be binding.

Very truly yours,



Duncan Joseph Moore
of LATHAM & WATKINS LLP

cc: Becky Dennison, Venice Community Housing Corporation
Sarah Letts, Hollywood Community Housing Corporation
Laura Rubio-Cornejo, General Manager, Los Angeles Department of Transportation
Jay Kim, Assistant General Manager, Los Angeles Department of Transportation
Ken Husting, Los Angeles Department of Transportation
Michelle Cayton, Los Angeles Department of Transportation
Hydee Feldstein Soto, City Attorney, Los Angeles City Attorney’s Office
John Heath, Los Angeles City Attorney’s Office
Michael Nagle, Los Angeles City Attorney’s Office
Kevin Dufner, Los Angeles City Attorney’s Office

LATHAM & WATKINS LLP

Yolanda Chavez, Los Angeles City Attorney's Office
Kevin Keller, Interim Deputy Mayor of Housing, Office of Mayor Karen Bass
Councilmember Traci Park, City Council, Council District 11
Star Parsamyan, Chief of Staff, Council District 11 Councilmember Traci Park
Arsen Voskerchyan, Los Angeles Bureau of Engineering
Tricia Keane, Executive Officer, Los Angeles Housing Department
Eric Claros, Director of Housing, Los Angeles Housing Department
Lisa Webber, Deputy Director of Planning, Los Angeles City Planning
Juliet Oh, Senior City Planner, Los Angeles City Planning
Beth Gordie, Latham & Watkins LLP
Benjamin Hanelin, Latham & Watkins LLP

ATTACHMENT A

ATTACHMENT A

RESPONSE TO BOARD REPORT

I. THE BOARD LACKS ANY AUTHORITY TO TAKE ACTION WITH REGARD TO THE PROJECT

- The Board Report asserts that the Board of Transportation Commissioners (the “Board”) has “express authority and responsibility . . . to approve or deny the proposed [P]roject as part of its ongoing responsibility to manage Lot No. 731” under City of Los Angeles Administrative Code (“Admin. Code”) Section 22.484(g)(2)(A)(7). (Board Report, pp. 1-2.)
 - The Board Report is incorrect. The Board does **not** possess any general authority to approve or disapprove the Project. Admin Code Section 22.484(g)(2)(A)(7) establishes the boundaries of the Board’s approval authority, which is narrowly limited to “coordinating, directing and managing all matters respecting the **acquisition**, and thereafter **the management**, of all public off-street parking places by the City.” (Admin. Code, § 22.484(g)(2)(A)(7) [emphasis added].)
 - **The Board has no authority because the Project does not involve the acquisition of public off-street parking spaces.** As the City itself has repeatedly acknowledged, “**there is no ‘acquisition’ at issue, as the Project site is presently owned by the City.**” (*Coalition for Safe Coastal Development, et al. v. City of Los Angeles, et al.* (Case No. 22STCP03359); City and Real Parties in Interest’s Brief in Opposition to Petitioners’ Opening Trial Brief (“City Brief”), p. 16 [emphasis added].)

The Los Angeles County Superior Court agreed with the City, holding that the City’s approval of the Disposition and Development Agreement (“DDA”) with Hollywood Community Housing Corporation and Venice Community Housing Corporation (collectively, the “Affordable Housing Developers”) was **not subject to the Board’s review or approval**. In fact, the Court held that “the City is correct that section 22.484(g)(A)(7) only delegates the acquisition and management of the City’s public off-street parking places to the Transportation Commission. The disposition of the City’s real property, including parking places, intended to be for affordable housing development purposes is delegated to [the Los Angeles Housing Department (LAHD)] by section 22.606.1.” (*Coalition for Safe Coastal Development, supra* (Case No. 22STCP03359), Judgment on Writ of Mandate, p. 16.)

- Moreover, no parking management components of the Project have been prepared or submitted for the Board’s review. As the City has acknowledged, “the City and [Affordable Housing Developers] have not yet negotiated an agreement

regarding the ownership, construction, and operation of the public parking portion of the Project, and thus ***no Transportation Commission consideration, much less approval, is required at this time.***” (City Brief, pp. 16-17 [emphasis added].) To the contrary, “the Project (or some agreement related to the Project’s parking component) will be put before the [Board] prior to seeking approval for the ground lease.” (City Brief, p. 17.) Because no such agreement has been negotiated between the City and the Affordable Housing Developers, the Board has nothing before it to review and consider. As such, the Board has no authority to consider the Project at this time – much less to “deny” the Project as recommended in the Board Report.

II. THE BOARD LACKS AUTHORITY TO ACT UPON THE “RECOMMENDATIONS,” WHICH CONFLICT WITH PRIOR CITY ACTIONS

- The Board Report recommends that the Board (1) not authorize the use of Lot 731 for the Project; and (2) recommend that LAHD “determine the feasibility of relocating the [Project] to Lot No. 701 to effectuate a maximum number of affordable housing units with no replacement parking required.” (Board Report, p. 1.)
 - First and foremost, the Board Report’s recommendations would conflict with the City’s prior Project approvals and undermine the City’s efforts to combat the housing crisis plaguing the City. The Board Report acknowledges that its recommendation would “***eliminate***” the opportunity to develop ***117 critical affordable housing units*** on the Project site. (Board Report, p. 7 [emphasis added].) Blocking the development of these units (which the Board lacks the authority to do) would exacerbate the housing crisis in the City.
 - In an effort to combat the housing crisis, the City ***specifically identified Lot 731 – not Lot 701*** – as an underutilized site appropriate for an affordable housing project. (See Miguel A. Santana, City Administrative Officer, *Report from Office of the City Administrative Office, Request for Authority for Various Actions Related to the Evaluation, Disposition, and Development of Affordable Housing Opportunity Sites* (May 31, 2016) (“Request for Authority”), p. 3.¹)
 - The City subsequently sought proposals to develop an affordable housing project on Lot 731. (See City Administrative Office (CAO), *City of Los Angeles Request for Qualifications/Proposals for the Affordable Housing Opportunity Sites* (“RFQ/P”) (Jul. 25, 2016), p. 37.²)

¹ Available at: https://clkrep.lacity.org/onlinedocs/2016/16-0600-S145_rpt_CAO_06-03-2016.pdf.

² Available at: <https://cao.lacity.org/ahosrfq.pdf>.

- After evaluating and scoring proposals in response to the RFQ/P, LAHD recommended the selection of the Affordable Housing Developers to construct the Project on the Lot 731 site.
 - The City Council approved entitlements to develop the Project on Lot 731, and these approvals were upheld in litigation. (See *Coalition for Safe Coastal Development, supra* (Case No. 22STCP03359).)
 - California Coastal Commission (“Commission”) staff recently reconsidered – and again rejected – the same Lot 701 alternative identified in the Board Report because there was no “guarantee that additional parking will be developed at Lot 731 in the future,” and it would “result in **drastically fewer affordable housing units and increased cost.**” (Commission Staff Report, CDP Appeal No. A-5-VEN-22-0042 and CDP App. No. 5-22-0588 (Nov. 27, 2024) (“CDP Staff Report”), pp. 72-73 [emphasis added].)
- Moreover, relocation of the Project to Lot 701 is contrary to City and statewide goals, as the Board Report’s recommended actions would decrease both public parking and affordable housing as compared to the Project. By the Board Report’s own estimates, this recommendation would result in the “**loss of 150 public parking spaces**” – with “no replacement parking required.” (Board Report, p. 6 [emphasis added].) It is perplexing that LADOT or the Board would be interested in recommending an action that would eliminate public parking, given their roles in ensuring availability of public parking for those in the City. The loss of parking spaces would also directly conflict with the City’s goals for the redevelopment of the Project site, which required replacement parking at a 1:1 ratio. (See City Administrative Office (CAO), *City of Los Angeles Request for Qualifications/Proposals for the Affordable Housing Opportunity Sites* (“RFQ/P”) (Jul. 25, 2016), p. 37.³) A project without replacement parking also would be impossible, as it would directly conflict with Coastal Act policies requiring that public access to the Coastal Zone be protected. (See, e.g., Pub. Resources Code, §§ 30210-30214.)
- Finally, the Board has no authority to make recommendations to LAHD. Admin. Code Section 22.484(g)(2)(A)(4) allows the Board “to advise **the [LADOT] General Manager** as to its findings and recommendations.” (Emphasis added.) The Board Report has not asserted or cited any support for the claim that this narrow advisory power extends to other government bodies such as LAHD. As such, the Board lacks authority to take action on either of the Board Report’s recommendations.

³ Available at: <https://cao.lacity.org/ahosrfq.pdf>.

III. THE BOARD REPORT'S ANALYSIS IS FLAWED AND INACCURATE

- The Board Report states that Lot 731 is “highly utilized from May to September, and has moderate to low usage from October to April.” (Board Report, p. 1.)
 - The Board Report’s characterization is contradicted by evidence in the record. The City determined that Lot 731 was an underutilized site that would be appropriate for affordable housing. (See Request for Authority, p. 3) A parking demand study commissioned by the City further confirmed that Lot 731 operates at **less than 25% capacity** a majority of the time. (See Tierra West Advisors, Inc., *Venice Parking Study* (June 2020), pp. 14-19.)
- The Board Report states that Lot 731’s “[r]ates vary from \$4 to \$25 per day at the lot depending on the time, day, and season.” (Board Report, p. 2.)
 - The Board Report fails to address the fact that the City’s rates for Lot 731 do not comply with the City’s existing Coastal Development Permit (“CDP”) for public parking lots in Venice. The CDP imposes a limit of \$11 per day per vehicle in Lot 731; however, ample evidence demonstrates that Lot 731 has charged daily rates well in excess of this cap, up to \$50 per day – \$39 more than the authorized rate. (See CDP Staff Report, p. 111 [citing CDP No. 5-01-028⁴].) These rates serve as a deterrent to public access to the coast. Commission staff confirmed that the City’s parking rates continue to exceed the rates approved in the City’s CDP, despite the Commission bringing this issue to the attention of the City on numerous occasions. (See *ibid.*)
 - In accordance with proposed Special Condition 2 of the Project’s CDPs, the Affordable Housing Developers will be required to submit a Parking Management Plan for approval by the Commission that incorporates the parking rates established by CDP No. 5-01-028, limiting public parking to the authorized rate. (See *id.*, p. 41.)
- The Board Report states that the Project’s parking structures will provide a combined total of 200 public parking spaces, with 23 spaces in the west structure and 177 in the east structure. (See Board Report, pp. 2-3.)
 - The Board Report is incorrect. The Project will provide 223 total public parking spaces – representing an increase of 27 public parking spaces relative to existing conditions – with 46 public parking spaces in the West parking structure and 177 public parking spaces in the East parking structure.

⁴ Available at: <https://documents.coastal.ca.gov/reports/2001/10/M8d-10-2001.pdf>.

- The Board Report asserts that locating residential units in proximity to public parking areas “raises liability and cost concerns” and “complicates future maintenance and rehabilitation.” (Board Report, p. 3.)
 - The Board Report cites no authority or evidence to support this claim. To the contrary, the City’s own policies *recommend* that parking areas be buffered by “wrapping the parking with active uses such as office and/or residential spaces” – just as the Project proposes. (See City Planning Department, “Advisory Notice Relative to Above-Grade Parking” (Oct. 24, 2019) p. 3.) Above-ground public parking has been successfully incorporated into other private developments (including similar projects constructed on City-owned property) in other neighborhoods in the City, such as the Hollywood Arts Collective apartment project at 1630 N. Schrader Boulevard, which was developed on a City parking lot in Hollywood. There, the City executed the exact same types of agreements (ground lease and reciprocal easement agreement) that will be utilized for the Project site. Thus, this Project does not raise any novel concerns regarding liability, cost, maintenance, or rehabilitation.
- The Board Report asserts that any “delays during the construction of the parking structure . . . could obligate the City to compensate the Affordable Housing Developer.” (Board Report, p. 3.)
 - The Board Report cites no authority or evidence for this claim. Absent any evidence, this claim is entirely speculative. Regardless, the public parking is an integral component of the Project. As such, construction of the affordable housing and the parking structures will be completed in tandem, and the public parking will adhere to the same strict construction milestones as the affordable housing. If the Project does not meet these deadlines, its funding sources will impose financial consequences, including funding recapture. Thus, Affordable Housing Developers and the City both will be incentivized to avoid construction delays.
- The Board Report incorrectly states that the Project will decrease Lot 731’s utilization and revenues because most public parking will be located in the East parking structure. (Board Report, p. 3.) The Board Report further asserts that this configuration will “reduce[] beach and Ocean Front Walk access” because “patrons will have to walk roughly a few hundred feet further” than if they were to park on the west side of Lot 731 under existing conditions. (*Ibid.*)
 - The Board Report ignores the fact that, under existing conditions, a majority of the parking spaces are *already located on the east side of Lot 731*. Moreover, the City previously approved the Project with *zero* public parking spaces in the West parking structure. The Affordable Housing Developers have since revised the Project *to add public parking in the West parking structure*. Under the Project

as proposed, 46 public parking spaces – over 20% of the Project’s public parking spaces – will be provided in the West parking structure.

- The Board Report cites no evidence for the claim that the location of the Project’s public parking spaces will decrease utilization and revenue. To the contrary, the Project will increase Lot 731’s utilization and revenue by adding 27 new public parking spaces to the Project site and creating an attractive development that will draw in the public.
- Furthermore, while the Board Report expresses concerns about “beach access,” Coastal Commission staff – representing the State agency with foremost responsibility and expertise in coastal access – has concluded that the Project, as proposed, will enhance coastal access. (*See* CDP Staff Report, pp. 85, 90.)
- In the introductory paragraph of the Discussion, the Board Report states: “[d]ue in large part to multiple lawsuits filed and recently resolved, the project has not been previously considered by the Board.” (Board Report., p. 3.)
 - This is misleading. As noted in Section I above, BOTC has not had, and still does not have jurisdiction over the Project, which is why there has been no reason for the Board to consider it. BOTC’s authority is limited to “coordinating, directing, and managing all matters respecting the **acquisition**, and thereafter **the management**, of all public off-street parking places by the City.” (Admin. Code, § 22.484(g)(2)(A)(7) [emphasis added].) The Project does not involve acquisition of a parking site, and no management agreement is being brought before the Board at tomorrow’s hearing.
- The Board Report asserts that the Project “[w]ill not allow for future development of the lot to include increasingly desirable additional mobility options”, such as a car share, bike share, micro-mobility, shuttle service, transit store, or other options. (Board Report, p. 4.)
 - There is no evidence that the City plans or has ever planned to build a “mobility hub” or any other “additional mobility options” on the Project site. (Board Report, p. 2.) Instead, the City took measures to identify Lot 731 as a suitable site for development as affordable housing and then approved an affordable housing project to be located on this site. (*See*, e.g., RFQ/P, p. 37.) BOTC cannot unilaterally determine that Lot 731 could be better utilized for a different purpose, particularly when the City Council already has approved the Project.
 - The Project, on the other hand, effectively combines affordable housing with increased public parking. The Project provides 117 affordable and supportive units—almost 30 times more than what is required under the Mello Act. The

Project also provides 27 more public parking spaces than are currently available in Lot 731.

- The Board Report claims that the Affordable Housing Developers’ November 2024 cost estimates for construction of the East parking structure are inaccurate and that the actual cost to the City will be roughly \$22,000,000. Moreover, the Board Report states that the \$11,600,000 previously authorized by the City for construction of the East parking structure will expire during the 2025-2026 budget cycle. (See Board Report, p. 3.)
 - The Board Report’s \$22 million dollar cost estimate relies on an overly-simplistic cost-of-inflation calculation of the 2021 budget, which was based on the prior parking structure design. It fails to consider reductions in the cost of constructing the East parking structure due to proposed Project modifications, which include reduction in the total number of parking spaces and the removal of mechanical lifts.
 - Additionally, LADOT incorrectly estimated increased costs for all total development costs. In contrast to those estimates, the majority of the Project’s soft costs are set by fixed sum contracts and will not experience significant increase. Furthermore, the development budget for the public parking already includes hard cost and soft cost contingencies to absorb potential cost increases. For example, the current budget contains a 7 percent contingency to account for rising construction costs. These contingencies are also escalated by the Board Report, which results in overinflation of the cost estimate.
 - Moreover, the Board Report misrepresents the Project’s Municipal Improvement Corporation of Los Angeles (“MICLA”) funding. Re-authorization of MICLA allocations is routine and the City Administrative Office (“CAO”) already has begun preparing a re-authorization of the Project’s MICLA allocation as part of the 2025-26 budget.
- The Board Report states that the only “pro” of the Project is that it is the “[q]uickest alternative for a mixed-use development with affordable housing.” (Board Report, p. 4.)
 - The Board Report conducts a biased review of the Project and its benefits and drawbacks as compared to the Board Report’s proposed alternatives. The Project provides substantial public benefits, including:
 - An increase of 27 public parking spaces at the Project site;
 - An additional boat launch parking space at the Project site;
 - 117 new affordable housing units in the Coastal Zone;

- Revitalization of the Grand Canal and enhanced access to the existing boat launch; and
 - New open space, landscaped area, and commercial spaces on an underutilized site.
- The Board Report asserts that denying the Project – its recommended Project alternative – would “[r]educe[] the potential General Fund burden . . . by roughly \$20 million during the current fiscal crisis.” (Board Report, p. 5.)
 - As discussed above, the Board possesses no authority to deny the Project. Moreover, this assertion is false. MICLA is designed to finance revenue-generating capital projects outside of the City’s General Fund and serves as a distinct pool of funds. As such, the Project’s MICLA funding has no impact on the General Fund.
- The Board Report claims that the Project will result in “potentially significant impacts to the General Fund and/or Special Parking Revenue Fund (SPRF),” and states that the City will fund construction of the East parking structure by issuing general obligation bonds from MICLA, which is a General Fund obligation of the City.” (Board Report, p. 7.)
 - The Board Report fails to note that the Project already has received a \$11.6 million allocation of MICLA funding, which is financed separately from the General Fund. The MICLA funding will be repaid by revenue received by the City from the Project’s public parking. A revenue stream analysis performed by the Affordable Housing Developers demonstrates that a \$19,492,862 MICLA loan can be repaid over the 18-year loan term (supplied by CAO), and still generate upwards of \$7 million in revenue for the City over the same period, and nearly \$20 million over the course of 30 years.
- The Board Report states that the estimated loss of annual parking revenue during Project construction would total \$747,000, whereas at Lot 701 annual lost parking revenue would total only \$114,000. The Board Report also asserts that the Project will prevent the future sale of Lot 731 at full market value. (See Board Report, p. 7.)
 - Affordable Housing Developers have prepared a temporary replacement parking plan to address the loss of public parking and resulting loss of revenue to the City during construction. The plan reflects findings from the City-commissioned Venice Parking Study, which concludes that Lot 701 is underutilized and may be used as replacement parking. This will allow the City to recoup 76.5% of the lost revenue when construction begins. (Venice Parking Study, p. 6.)
 - Additionally, it is unclear how the Board Report arrived at these estimates for lost revenue. The estimates are improperly inflated if the City is using current non-

compliant parking rates, which are well in excess of the existing Coastal Commission-authorized rate of \$11 per day. (See CDP Staff Report, p. 111 [citing CDP No. 5-01-028⁵].) Ample evidence demonstrates that Lot 731 has charged daily rates well in excess of this cap, up to \$50 per day – \$39 more than the authorized rate. (*Ibid.*) Additionally, while Lot 701 may have lower rates of utilization, this is because the City only opens Lot 701 on weekends, holidays, and during the summer.

- Moreover, under proposed Special Condition 4 of the Project’s CDPs, the Affordable Housing Developers would be required to submit and obtain approval of a final Construction Staging Plan, which provides for the use of the parking spaces in Lot 701 as temporary replacement parking during construction. (CDP Staff Report, p. 42.) Thus, any City revenue that would have been generated at Lot 731 will instead be generated at Lot 701.
- The Board Report speculates that Lot 731 could be sold at full market value in the future, ignoring the fact that (as discussed above) the City already identified Lot 731 as appropriate for affordable housing and selected the Project for the site. The Board Report cites no evidence that a future sale of Lot 731 has ever been contemplated by the City. Moreover, any claim that Lot 731 would be sold ignores the California Surplus Land Act (Gov. Code, §§ 54220-54234), which generally requires that surplus public property be prioritized for affordable housing development.

⁵ Available at: <https://documents.coastal.ca.gov/reports/2001/10/M8d-10-2001.pdf>.

ATTACHMENT B

OPINION

Editorial: It's past time for city officials to let Venice Dell homeless housing move ahead



A homeless encampments on Venice Beach in 2021. (Carolyn Cole / Los Angeles Times)

By The Times Editorial Board

Dec. 9, 2024 5 AM PT

In Los Angeles, a city desperate for homeless housing, one project that will fill some of that need has been unconscionably delayed for years. The City Council has already approved it twice, most recently two years ago. This week, city officials have a chance to show they are serious about getting that project built.

On Wednesday, the California Coastal Commission will take up the Venice Dell Community project, which will provide 117 units, including 68 for homeless supportive housing and the remainder for low-income affordable housing, on a city-owned 2.65-acre parking lot in Venice not far from the beach.

Commission staff already recommends the project receive a coastal development permit. The Coastal Commission should approve that.

And any official from the city who shows up at that meeting should support the project. Not doing so would be a disgrace.

The Venice Dell Community project has been in the works for seven years.

After meeting with the community and taking their concerns into account, the nonprofit developers, Venice Community Housing and Hollywood Community Housing Corp., were approved by the L.A. City Council for a development agreement in 2021 and 2022. The site is just the kind of surplus city land that advocates and city leaders covet for homeless housing. But somewhere along the way, city officials seemed to forget that.

In the time since their agreement was signed, the developers have designed and redesigned — and redesigned again — the public parking garage that replaces the lost spots in the original lot at the suggestions of the city's Department of Transportation.

They lost time on the project last year during an eight-month period when City Attorney Hydee Feldstein Soto, long an opponent of the project, told city departments to [stop meeting with the developers](#) to work on plans and contracts. Staff members resumed meeting with them only after Mayor Karen Bass ordered them to do so.

The developers also were set back last year when the [Coastal Commission put on hold](#) its decision on whether to grant the project its necessary coastal development permit

after city officials couldn't decide whether they would oversee the operation of the parking structure on the site.

And finally, [two lawsuits](#) filed by a community group to try to stop the project were rejected by Superior Court judges earlier this year.

ADVERTISEMENT

Enough.

Building on a city-owned parking lot is a smart plan for homeless housing, and Venice Dell Community should go forward.

The latest issue for this development is a [letter](#) from the city's Department of Transportation urging the Board of Transportation Commissioners, an advisory panel composed of residents appointed by the mayor, to recommend at a special session on Tuesday that the project not go forward.

After years of working with the developers on the project, the department officials suddenly have a change of heart? The developers have already been through numerous discussions with the city's Department of Transportation over parking requirements on the site and have made adjustments to the parking garage. At this point, a negative recommendation from the Board of Transportation Commissioners would be disingenuous. But it would not be binding — [a judge decided](#) as much when this issue

came up in one of the unsuccessful lawsuits against the project — and it should not be allowed to hinder progress.

What most matters here is the Coastal Commission's decision. The city attorney has written an absurd [letter](#) to the Coastal Commission telling its members not to approve the project because the parking will be located on the east side of the site instead of the west side, which would be closer to the beach. Seriously? This project is about creating desperately needed housing for homeless and low-income people, not creating desperately needed parking. (And Becky Dennison, the co-executive director of Venice Community Housing, says that in the latest design, there would be parking on both the west and east sides of the site.)

The city attorney also says she can't guarantee that the city will agree to oversee the operation of the parking structure. Uncertainty over such a matter should not have delayed the Coastal Commission's decision last year and should not be used as an excuse by city officials to convince the commission to avoid approval this week.

This project has some powerful opponents. The city attorney is one. Traci Park, the councilmember whose district includes Venice, is another longtime detractor. And the mayor has done little to support the project even though she has pledged to expedite the creation of affordable housing. It's shameful that some elected officials have failed to stand up for this project while others actively tried to kill it.

The Coastal Commission should approve Venice Dell and give it the coastal development permit it needs. And if city officials argue against awarding the permit to the project, the commission should see that move for what it is — a ploy to stop a much-needed housing project on the west side of the city, where there is little permanent housing for homeless people.

More to Read

Editorial: A test for Mayor Bass' Planning Commission — support affordable housing or preserve single-family zoning?

Sept. 25, 2024



Beverly Hills is dragging its heels on a development with affordable apartments. The governor says: Build it

Sept. 4, 2024



L.A. officials continue to stall homeless housing project in Venice, new lawsuit claims

July 12, 2024



The Times Editorial Board

The Los Angeles Times' editorial board determines the positions of The Times as an institution. It operates separately from the newsroom. You can read more about the board's mission and its members at [About The Times Editorial Board](#).

Exhibit 6

CALIFORNIA COASTAL COMMISSION

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



January 22, 2025

Los Angeles City Council
City Hall, 200 N. Spring Street
Los Angeles, CA 90012

Re: City of Los Angeles, Venice Land Use Plan (LUP) Amendment Request No. LCP-5-VEN-23-0037-1 for the Venice Dell Community Project

Dear Councilpersons:

You are hereby notified that, at its December 11, 2024 meeting in Newport Beach, the Coastal Commission approved with suggested modifications the City's LUP Amendment Request No. LCP-5-VEN-23-0037-1. The subject amendment request was submitted to the Commission pursuant to city Los Angeles City Council Ordinance No. 187551 and adds a new subarea to the Venice coastal zone to enable approval of the Venice Dell Community Housing Project on the Venice Median.

Pursuant to the Commission's action on December 11, 2024, certification of LUP Amendment Request No. LCP-5-VEN-23-0037-1 is subject to the attached suggested modifications (Attachment A). Therefore, the subject amendment request will not be effective for implementation in the City's coastal zone until: 1) the City Council adopts the Commission's suggested modifications, 2) the City Council forwards the adopted suggested modifications to the Commission by resolution or ordinance, and, 3) the Executive Director determines that the City has complied with the Commission's December 11, 2024 action. Cal. Code of Regulations Title 14 § 13537(b) requires that the City's adoption of the suggested modifications be completed within six months of the Commission's action (i.e. by June 9, 2025).

Thank you for your cooperation and we look forward to working with you and your staff in the future. Please contact me at chloe.seifert@coastal.ca.gov with questions regarding the modifications required for effective certification of LUP Amendment Request No. LCP-5-VEN-23-0037-1.

Sincerely,

A handwritten signature in cursive script that reads "Chloe Seifert".

Chloe Seifert
Coastal Program Analyst

ATTACHMENT A—SUGGESTED MODIFICATIONS

LUP Amendment Request No. LCP-5-VEN-23-0037-1 is subject to the Commission's suggested modifications outlined below. For ease of reading, solely the sections subject to suggested modification have been included below.

Normal Text = Existing, unmodified language

~~Strikethrough Text~~ = City's proposed eliminated language

Underline Text = City's proposed added language

~~**Bold Strikethrough Text**~~ = Commission's proposed eliminated language

~~**Bold Underline Text**~~ = Commission's proposed added language

Definitions, Qualified Permanent Supportive Housing Project.

The construction of, addition to, or remodeling of a building or buildings offering Supportive Housing; and where all of the total combined Dwelling Units or Guest Rooms, exclusive of any manager's units, are affordable. For the purposes of this subdivision, affordable means that rents or housing costs to the occupying residents do not exceed 30 percent of the maximum gross income of Extremely Low, Very Low or Low-Income households, as those income ranges are defined by the United States Department of Housing and Urban Development (HUD) or any successor agency, as verified by the **Housing & Community Investment Department (HCIDLA) Los Angeles Housing Department (LAHD)**. A minimum of 50 percent of the total combined Dwelling Units or Guest Rooms is occupied by the Target Population.

Definitions, Supportive Housing.

Supportive Housing. Housing with no limit on length of stay for persons with low incomes who ~~have one or more disabilities and~~ may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, ~~and~~ homeless people, ~~and those who have one or more disabilities~~. The housing is linked to onsite or offsite Supportive Services, and any Floor Area used for Supportive Services shall be considered accessory to the residential use.

Residential Land Use and Development Standards, Policy I.A.1

The maximum densities, building heights and bulks for residential development in the Venice Coastal Zone shall be defined by the Land Use Plan Maps and Height Exhibits (Exhibits 9 through 16), and the corresponding land use categories and the development standards as described in this LUP. Refer to Policies II.C.10 for development standards for walk streets and to Policies II.A.3 and 4 for parking requirements. **Development within Subarea A is not subject to the provisions of Policy I.A.1 and shall comply with the standards outlined in Policy I.B.6.**

Replacement of Affordable Housing, Policy I.A.18

Permanent Supportive Housing Projects that meet the definition of Qualified Permanent Supportive Housing Project and comply with the following requirements:

...

b. Affordable Housing Covenant. Projects shall record a covenant acceptable to **HCIDLA LAHD** that reserves and maintains the total combined number of Dwelling Units and Guest Rooms designated as restricted affordable for **the life of the development unless otherwise limited as set forth in Government Code Section 65915.2, in which case, the restriction shall apply for** at least 55 years from the issuance of the Certificate of Occupancy.

c. Housing Replacement. Projects shall meet any applicable dwelling unit replacement requirements of California Government Code Section 65915(c)(3), or as thereafter amended, as verified by **HCIDLA LAHD**, and all applicable covenant and monitoring fees in Section 19.14 of this Code shall be paid by the applicant prior to the issuance of any building permit.

Replacement of Affordable Housing, Policy I.A.19

Parking Requirements for Qualified Permanent Supportive Housing Projects and Supportive Housing. Reduced parking is permitted, as follows:

a. Supportive Housing ~~as defined in Health and Safety Code 50675.14(b)(2). Projects providing Supportive Housing and Qualified Permanent Supportive Housing Projects~~ may provide reduced parking consistent with Government Code Section 65915 **if the City determines that the reduced parking will not have any adverse effects on coastal resources. If the City determines that the requested incentive will have an adverse effect on coastal resources, the City shall consider all feasible alternative incentives and the effects of such incentives on coastal resources.**

Neighborhood Commercial Areas, Policy I.B.5

Move the proposed language from Policy I.B.5 to Policy I.B.6.

Community Commercial Areas, Policy I.B.6

Neighborhood Community Commercial Area of Special Interest

ae. Subarea A (Exhibit 10b). The lots within Subarea A shall be developed with a Qualified Permanent Supportive Housing Project that meets the requirements

of Policy I.A.18 and the following development standards. Qualified Permanent Supportive Housing Projects are not subject to the standards outlined in Policy I.B.7.

1. Density. No project shall exceed ~~the density permitted in the R3 zone~~ **one unit per 800 square feet of lot area.**
2. Use. Uses ~~allowed in the C2 zone or as~~ outlined in Policy ~~I.B.5 I.B.6.~~

3. Height.

i. All projects shall be limited to a maximum height of 35 feet.

ii. ~~One (1) campanile structure may exceed the maximum height of 35 feet. A maximum height of 67 feet is permitted, measured to the top of the Roof Access Structure.~~

4. Canal Setback.

i. An average setback of 15 feet, but not less than ten feet shall be maintained in the front yard adjacent to the property line which faces the canal.

ii. ~~An open, permeable yard with an area of at least 15 times the lot width and a minimum area of 450 square feet shall be maintained between the property line that faces the canal and the front of any structure, No fill nor building extensions, including stairs and balconies, shall be placed in or over the required permeable front yard area except fences up to 42 inches in height or permeable decks at grade level not more than 18 inches high A minimum total 11,266 square feet of permeable area shall be maintained throughout Subarea A in conjunction with a multi-path drainage system.~~

5. Access.

i. Driveways and vehicular access ~~to Venice Coastal Development Projects~~ shall be provided from North Venice and South Venice Boulevards, unless the Department of Transportation determines that it is not ~~F~~feasible. ~~New and e~~Existing curb cuts shall be ~~minimized~~, **removed when no longer necessary, and new curb cuts shall be prohibited** to protect and maximize public onstreet parking opportunities.

ii. **A minimum of 203 public parking spaces (including at least seven boat launch public parking spaces) shall be maintained in Subarea A.**

6. Roof Access Structures. Building heights and bulks shall be controlled to preserve the nature and character of existing residential neighborhoods. Residential structures may have an enclosed stairway (roof access structure) to provide access to a roof provided that:

i. Up to nine (9) total roof access structures may be permitted for all development throughout Subarea A and shall be limited to a height of no more than ten (10) feet above the maximum height of the building;

ii. All roof access structures shall be set back at least 60 horizontal feet from the mean high tide line of Grand Canal and the inland side of the Esplanade (City right-of-way), except no more than four (4) roof access structures allowed within the 60-foot horizontal setback; and

iii. The roof access structures shall not exceed 100 square feet in individual area as measured from the outside walls.

7. Lot Consolidations. Consolidation and subdivision of up to 40 lots into two (2) lots for the construction of a mixed-use development with 100% affordable supportive housing, retail, parking associated with allowed development and public parking lots/garages may be permitted in Subarea A.

8. Qualified Permanent Supportive Housing Projects may provide reduced parking consistent with Government Code Section 65915 for all new affordable housing units. A minimum of 203 public parking spaces (including at least seven boat launch parking spaces) shall be maintained onsite for the life of the development.

Development Within Natural and Recreational Resource Areas/Protection of Views,
Policy I.D.1

Canals and Ballona Lagoon Waterways.

Adjacent Use/Development: **Except for mixed-use development with 100% affordable supportive housing, retail, parking associated with allowed development and public parking lots/garages in Subarea A,** the only permitted development adjacent to the canals and lagoon shall be habitat restoration, single-family dwellings, public parks and walkways, subterranean or surface public parking lots, maintenance activities, **public access and recreation (including, but not limited to, public boat launch ramps with associated public parking),** and emergency repairs. Surface public parking lots shall be permitted only where sufficient access and roadway capacity exists to accommodate such parking. New construction along the Canals, and Ballona Lagoon shall comply with standards for setbacks, noise barriers, landscape plan,

pervious surfacing with drainage control measures to filter storm run-off and direct it away from environmentally sensitive habitat areas, buffer areas in permanent open space, land dedication for erosion control, and wetland restoration including off-site drainage improvements. For more details refer to the provisions contained in Policy Group I.A., Residential Land Use and Development Standards, and Policies IV.C.1 and IV.C.2, Stormwater Runoff and Circulation.

Parking, Policy II.A.3

Parking Requirements.

The parking requirements outlined in the following table shall apply to all new development, any addition and/or change of use. The public beach parking lots and the Venice Boulevard median parking lots shall not be used to satisfy the parking requirements of this policy. Extensive remodeling of an existing use or change of use which does not conform to the parking requirements listed in the table shall be required to provide missing numbers of parking spaces or provide an in-lieu fee payment into the Venice Coastal Parking Impact Trust Fund for the existing deficiency. The Venice Coastal Parking Impact Trust Fund will be utilized for improvement and development of public parking facilities that improve public access to the Venice Coastal Zone. ...

Multiple dwelling and duplex on lots 40 feet or more in width, or 35 feet or more in width if adjacent to an alley

2 spaces for each dwelling unit; plus a minimum of 1 (one) guest parking space for each 4 (four) or fewer units (i.e. 2.25 spaces per unit; always round-up to highest whole number of spaces).

Exceptions: For projects where all required parking spaces are fully enclosed, any required guest spaces may be paid for at the same in lieu fee rate defined for BIZ parking. **100% affordable development in Subarea A is subject to the parking requirements of Policy I.A.13, I.A.14, and I.A.19.**

Parking, Policy II.A.4

Parking Requirements in the Beach Impact Zone.

Any new and/or any addition to commercial, industrial, and multiple-family residential development projects within the Beach Impact Zone shall provide additional (in addition to parking required by Policy II.A.3) parking spaces for public use or pay in-lieu fees into the Venice Coastal Parking Impact Trust Fund, **100% affordable development in Subarea A is subject to the parking requirements of Policy I.A.13, I.A.14, and I.A.19.**

Parking, Policy II.A.9

Protection of Public Parking.

The following policies shall be implemented and enforced in order to protect and enhance public parking opportunities provided on public rights-of-way and in off-street parking areas:

a. Beach Parking Lots. The beach parking lots located at Washington Boulevard, Venice Boulevard and Rose Avenue shall be protected for long-term (4-8 hours) public beach parking. No parking spaces in the beach parking lots shall be used to satisfy the parking requirements of Policies II.A.3 and II.A.4 **except in Subarea A, where residential/commercial parking may be allowed only as part of a 100% affordable residential/mixed use development provided that a minimum of 203 public parking spaces (including at least seven boat launch parking spaces) shall be maintained for public use on site.** The temporary short-term lease or reservation of parking spaces in the beach parking lots may be permitted if the proposed temporary use of the parking supply does not conflict with the need for public parking by beach goers. Any proposal to allow overnight residential parking in the beach parking lots shall include provisions to enforce a prohibition against the storage of vehicles in the lots during the daylight hours by non-beach goers.

Coastal Waterways, Policy III.D.2

Boating Use of Canals and Lagoon.

Recreational boating use of the Venice Canals shall be limited to non-commercial shallow-bottom, non-motorized boats such as canoes and rafts, in order to permit recreation while protecting the environmentally sensitive habitat area and maintain a quiet ambience within the neighborhoods of the plan area. No boating shall be permitted in Ballona Lagoon and the portion of Grand Canal south of Washington Boulevard.

A public boat launch facility was built as part of the Venice Canals Rehabilitation Project at the Grand Canal and North Venice Boulevard. The City shall protect the public's ability to access the canals by boat by maintaining public access to the Grand Canal public boat launch **and by providing at least seven public vehicle parking spaces located adjacent or in as close proximity to the boat launch ramp as feasible. The boat launch parking spaces shall include signage informing the public of available boat launch access, shall remain open to the public, and shall not be gated.** The facility shall provide adequate on-site public parking consistent with the sizes and types of boats to be launched and frequency of launching pursuant to the County Department of Small Craft Harbors standards.

Land Use Plan (Map): North Venice, Venice Canals, **Subarea A**, Exhibit 10b

Re-designate the area located between Dell Avenue, North Venice Boulevard, South Venice Boulevard, and the Grand Canal as 'Community Commercial'.

Shift the "Canal St." caption north from the Grand Canal terminus to the street bounded by Mildred Avenue and North Venice Boulevard.

Designate the Grand Canal terminus located between North Venice Boulevard and South Venice Boulevard as 'Open Space' .

Add "Subarea A" to exhibit title and add a caption stating: "*All building heights shall be measured from the elevation of the fronting right-of-way Notwithstanding other policies of this LUP, chimneys, exhaust ducts, ventilation shafts and other similar devices essential for building function may exceed the specified height limit in a residential zone by five feet."

Subarea: North Venice, Venice Canals, **Subarea A**, Exhibit 14b

Shift "Canal St." caption north from canal segment located between North and South Venice Boulevard, Pacific Avenue, and Dell Avenue to street bounded by Mildred Avenue and North Venice Boulevard.

Delete the "I: Subject to maximum regulation contained in LAMC" caption and replace with the caption: 'I: 35'"

Extend the boundaries of "I: Subarea A" west to encompass the seven lots located between Strong's Drive and Pacific Avenue.

Coastal Access Map, Exhibit 17a

Designate the area located between Dell Avenue, North and South Venice Boulevard, and the Grand Canal as "Existing Public Parking" in red.

Exhibit 7

CALIFORNIA COASTAL COMMISSION

SOUTH COAST DISTRICT OFFICE
301 E. OCEAN BLVD., SUITE 300
LONG BEACH, CALIFORNIA 90802-4830
PH (562) 590-5071
WWW.COASTAL.CA.GOV



January 22, 2025

Permit Application Numbers: **A-5-VEN-22-0042 & 5-22-0588****NOTICE OF INTENT TO ISSUE PERMITS**

(Upon satisfaction of special conditions)

THE SOLE PURPOSE OF THIS NOTICE IS TO INFORM THE APPLICANT OF THE STEPS NECESSARY TO OBTAIN A VALID AND EFFECTIVE COASTAL DEVELOPMENT PERMIT ("CDP"). Coastal Development Permits for the development described below have been approved but are not yet effective. Development on the site cannot commence until the CDP is effective. In order for the CDPs to be effective, Commission staff must issue the CDPs to the applicant, and the applicant must sign and return the CDPs. **Commission staff cannot issue the CDPs until the applicant has fulfilled each of the "prior to issuance" Special Conditions.** A list of all the Special Conditions for the permits is attached.

The Commission's approval of the CDPs is valid for two years from the date of approval. To prevent expiration of the CDPs, you must fulfill the "prior to issuance" Special Conditions, obtain and sign the CDPs, and commence development within two years of the approval date specified below. You may apply for an extension of the permit pursuant to the Commission's regulations at Cal. Code Regs. title 14, section 13169.

On December 11, 2024, the California Coastal Commission approved Coastal Development Permit Nos. **A-5-VEN-22-0042 and 5-22-0588** requested by **Venice Community Housing Corporation and Hollywood Community Housing Corporation** subject to the attached conditions, for development consisting of the Venice Dell Community Project, more specifically described in the application filed in the Commission offices. **Commission staff will not issue the CDPs until the "prior to issuance" special conditions have been satisfied.**

The development is within the coastal zone located on 2.65 acres between Pacific Avenue, North Venice Boulevard, South Venice Boulevard, and Dell Avenue, Venice, City of Los Angeles, Los Angeles County (APNs: 4238-024-900, 4238-024-902, 4238-024-903, 4238-024-905, 4238-024-906, 4238-024-907, 4238-024-908, 4238-024-909, 4238-024-910, and 4238-024-911)

If you have any questions regarding how to fulfill the "prior to issuance" Special Conditions for CDP Nos. A-5-VEN-22-0042 and 5-22-0588, please contact the Coastal Program Analyst identified below.

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Sincerely,

Dr. Kate Huckelbridge
Executive Director



Chloe Seifert
Coastal Program Analyst

ACKNOWLEDGMENT

The undersigned permittee acknowledges receipt of this Notice and fully understands its contents, including all conditions imposed.

Date	Permittees
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Please sign and return one copy of this form to the Commission office at the above address.

STANDARD CONDITIONS

- 1. Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- 2. Expiration.** If development has not commenced, then permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
- 3. Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
- 4. Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission and affidavit accepting all terms and conditions of the permit.

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5. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

SPECIAL CONDITIONS:

NOTE: IF THE **SPECIAL CONDITIONS** REQUIRE THAT DOCUMENT(S) BE RECORDED WITH THE COUNTY RECORDER, YOU WILL RECEIVE THE LEGAL FORMS TO COMPLETE (WITH INSTRUCTIONS). IF YOU HAVE ANY QUESTIONS, PLEASE CALL THE DISTRICT OFFICE.

1. Submittal of Final Project Plans. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit, for the Executive Director's review and written approval, final Project Plans in substantial conformance with the Project Plans dated November 4, 2024. The final Project Plans shall, at minimum, include the following provisions:

- A. Revision of the land use designation on Sheet G0.01 to state "Community Commercial".
- B. Provision of an average 15-ft. (and no less than 10-ft.) setback between primary development and canal-fronting property lines. Development within the canal setback is limited to paved public accessways and parking lots, permeable landscaping, and fencing or railing up to 3.5-ft. in height. A minimum 366 sq. ft. permeable area shall be provided between the new west structure and the west side of Grand Canal. A minimum 240 sq. ft. permeable area shall be provided between the new east structure and the west side of Grand Canal.

The permittees shall undertake development in accordance with the final Project Plans approved by the Executive Director. Any proposed changes to the approved, final Project Plans shall be reported to the Executive Director. No changes to the approved, final Project Plans shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

2. Submittal of Final Parking Management Plan. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit, for the Executive Director's review and written approval, a revised, final Parking Management Plan in substantial conformance with the "Plan for Permanent Replacement and Expansion

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of Public Parking” dated March 2022. The final, revised Parking Management Plan shall, at minimum, include the following:

- A. Provision of at least 196 public parking spaces onsite (not including the seven public boat launch ramp parking and loading/unloading spaces required for the boat launch area pursuant to **Special Condition 3**).
- B. Provision of at least 55 resident parking spaces on the western side of Grand Canal within the project site;
- C. Provisions to prevent the use of public parking spaces by residents onsite;
- D. Provision of a parking rate plan in which no public parking space shall exceed the approved parking rate pursuant to CDP No. 5-01-028 unless a separate coastal development permit or amendment for a different parking rate is obtained.
- E. Provision of a Final Signage Plan that clearly describes, at a minimum, the dimensions, material(s), text, and font of each public parking garage wayfinding sign. The signs shall facilitate, manage, and provide public access to the public beach parking garages.

The permittees shall undertake development in accordance with the final Parking Management Plan approved by the Executive Director. Any proposed changes to the approved, final Parking Management Plan shall be reported to the Executive Director. No changes to the approved, final Parking Management Plan shall occur without a Commission amendment to CDP No. 5-01-028 (the last CDP approved by the Commission for a parking rate system in LADOT Lot 731) or this CDP unless the Executive Director determines that no amendment is legally required. This includes any change in the number of parking spaces proposed under this permit, including, but not limited to, the leasing or selling of parking spaces to third parties, or reserving parking spaces for other uses not approved under this permit. These proposed changes shall be submitted to the Executive Director to determine if an amendment to the permit is legally required.

- 3. Submittal of Final Boat Launch Access Plans.** PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit, for the Executive Director's review and written approval, a final Boat Launch Access Plan in substantial conformance with the Boat Launch Access Plan dated November 4, 2024. The final Boat Launch Access Plan shall, at minimum, include the following:

- A. Provision of at least seven 18-ft. long by 8.25-ft. wide vehicle parking spaces, and one ADA-compliant vehicle parking space, sited in a parking lot adjacent to the Grand Canal boat launch ramp and provided free of charge during all hours

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between 8 A.M. and sunset, with specified methods to avoid the use of the subject areas by non-boating visitors.

- B. Provision of a vehicle entrance and exit between the boat launch ramp parking lot and North Venice Boulevard separate from those of other development onsite.
- C. Removal of any and all 'Private Property' signage from the vicinity of the boat launch ramp accessway and parking lot and gates and fencing from the site of the boat launch and parking lot.
- D. Provision of a Final Signage Plan that clearly describes, at a minimum, the dimensions, material(s), text, and font of each boat launch wayfinding sign. The signs shall facilitate, manage, and provide public access to the boat launch ramp and associated parking lot.

The permittees shall undertake development in accordance with the final Boat Launch Access Plan approved by the Executive Director. Any proposed changes to the approved, final Boat Launch Access Plan shall be reported to the Executive Director. No changes to the approved Boat Launch Access Plan shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

4. Submittal of Final Construction Staging Plans. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit, for the Executive Director's review and written approval, a revised, final Construction Staging Plan in substantial conformance with the "Temporary Plan for Replacement of Public Parking (during Construction Period)" dated May 1, 2022. The final, revised Construction Management Plan shall, at minimum, include the following:

- A. Provision of at least 180 replacement offsite parking spaces at LADOT Lot 701 for the full duration of construction closures at the project site. Lot 701 shall remain in operation and available to public vehicles from at least 8AM to 5PM every day, with the exception of a temporary partial closure for the Venice Farmer's Market for a period not to exceed five hours on a single day of the week.
- B. Provision of at least 23 replacement parking spaces at one or more offsite parking lots for the full duration of construction closures at the project site. The offsite parking lot(s) shall be located no further inland from the sandy beach than 0.25 miles. The replacement parking spaces shall be leased from the offsite location(s) on, at minimum, weekends and state holidays. A copy of the lease agreement, as well as a plan for rate collection (the approved parking rates

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pursuant to CDP No. 5-01-028) at the offsite location(s), shall be provided for Executive Director review and approval.

- C. Provisions for signage at the project site indicating the location, quantity, and cost of replacement parking at the second offsite parking lot.
- D. Provisions for storage of all construction equipment within the project site and out of the public right-of-way for the duration of construction;
- E. Provisions for the use of a flagman to direct traffic during initial placement or removal of construction equipment and/or dumpsters onsite; and
- F. Identification of a disposal site for waste materials and recyclable materials located outside of the coastal zone.
- G. Copies of the signed CDP and the approved Construction Plan be maintained in a conspicuous location at the construction job site at all times, with such copies available for public review on request. All persons involved with the construction shall be briefed on the content and meaning of the CDP and the approved Construction Plan, as well as the public review requirements applicable to them, prior to commencement of construction.
- H. A construction coordinator shall be designated as the point of contact during construction should questions arise regarding the construction in case of both regular inquiries and emergencies. The construction coordinator's contact information, i.e., address, phone numbers, email, etc., including, at a minimum, an email address and a telephone number that will be made available 24 hours a day for the duration of construction, shall be conspicuously posted at the job site where such contact information is readily visible from public viewing areas while still protecting public views as much as possible. This information shall indicate that the construction coordinator should be contacted in case of questions regarding the construction for both regular inquiries and emergencies. The construction coordinator shall record the name and contact information, i.e., address, email, phone number, etc., and nature of all complaints received regarding the construction and shall investigate complaints and take remedial action, if necessary, within 24 hours of receipt of the complaint or inquiry. Any complaints and all actions taken in response shall be summarized and provided to the Executive Director on at least a weekly basis.

The permittees shall undertake development in accordance with the final Construction Management Plan approved by the Executive Director. Any proposed changes to the approved, final Construction Management Plan shall be reported to the Executive Director. No changes to the approved, final Construction Management

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Plan shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

5. Tsunami Hazard Safety Plan. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittees shall submit, for the review and written approval of the Executive Director, a plan for mitigating the hazards associated with potential flood inundation of the site from tsunami wave run-up.

A. The plan shall demonstrate, at minimum, the following:

- i. The existence of the threats of inundation of the site related to a tsunami event (both distant and local sources) will be adequately communicated to all employees and residents;
- ii. Information will be made available regarding personal safety measures to be undertaken in the event of a potential tsunami event;
- iii. Efforts will be provided to assist less physically mobile employees, customers, and residents in seeking evacuation from the site during a potential tsunami event; and
- iv. Staff will be adequately trained to carry out the safety plan.

B. The plan shall include, at minimum, the following:

- i. Information Component, detailing the provision of informational materials to employees and the posting of placards, flyers, or other materials at conspicuous locations explaining flood risks, the need for evacuation if strong earthquake motion is felt or alarms are sounded, and the location of evacuation routes;
- ii. Evacuation Assistance Component, detailing the efforts to be undertaken by property management staff to assist the evacuation of physically less mobile persons during a tsunami event; and
- iii. Staff Training Component, detailing the instruction to be provided to all property management/employee staff to assure that the Tsunami Safety Plan is effectively implemented.

The permittees shall undertake development in accordance with the approved final plan. Any proposed changes to the approved final plan shall be reported to the Executive Director. No changes to the approved final plan shall occur without a

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Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

6. Submittal of Final Landscaping Plans. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit, for the Executive Director's review and written approval, revised, final Landscaping Plans in substantial conformance with the Landscaping Plan Sheets X9.10 and X9.20, dated November 4, 2024. The final, revised Landscaping Plans shall at minimum include the following:

- A. Provision of a plant palette consisting of native plant species and/or non-native, drought-tolerant, and non-invasive plant species. No plant species listed as problematic and/or invasive by the California Native Plant Society (<https://www.cnps.org/>), the California Invasive Plant Council (formerly the California Exotic Pest Plant Council) (<https://www.cal-ipc.org/>), or as may be identified from time to time by the State of California shall be employed, or allowed to naturalize or persist, on the site. No plant species listed as a "noxious weed" by the State of California or the U.S. Federal Government shall be utilized within the property. All plants shall be low water use plants as identified by California Department of Water Resources (<https://ucanr.edu/sites/WUCOLS/files/183488.pdf>); and
- B. Use of reclaimed water for irrigation is encouraged. If using potable water for irrigation, only drip or micro-spray irrigation systems may be used. Other water conservation measures shall be considered, such as weather-based irrigation controllers.

The permittees shall undertake development in accordance with the final Landscaping Plans approved by the Executive Director. Any proposed changes to the approved, final Landscaping Plans shall be reported to the Executive Director. No changes to the approved, final Landscaping Plans shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required

7. Submittal of Final Drainage Plan. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit, for the Executive Director's review and written approval, final drainage system plans in substantial conformance with the "LID Runoff Management Plan" dated August 1, 2023. The final drainage plans shall, at minimum, include the following provisions:

- A. Elimination of the phrase "Pretreatment Option" from the plans;

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- B. Provision of downspout filters, Continuous Deflection Separator units, two cisterns, planter drains, and trench drains to treat, capture, and/or discharge runoff to the proposed locations;
 - C. Estimation of the volume and depth below grade of the two cisterns;
 - D. Provision for a cleaning schedule for all pre-treatment drainage features onsite, as well as specification of which entity is responsible for cleaning drainage features in each structure.
- 8. Submittal of Marine Debris Reduction Plan.** PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit, for the review and approval of the Executive Director, a robust plan, including a comprehensive monitoring and evaluation framework, to reduce waste and single-use items. The plan shall include at a minimum, all of the following, and the applicants shall implement the approved version of the plan:
- A. The applicants shall install and maintain educational signage for commercial development staff and patrons that promotes and encourages the use of reusable items (instead of single-use items).
 - B. All commercial development onsite shall adhere to the following criteria:
 - i. Only use reusable food-ware (including dinnerware, drinkware, silverware, and ramekins/containers) for onsite dining, specifically prohibiting the use of plastic cups, utensils or any other service-ware.
 - ii. Prohibit the use of plastic straws and only provide reusable straws, non-plastic straws, or straws made from naturally occurring materials, upon request.
 - iii. Prohibit the use of expanded polystyrene (aka Styrofoam).
 - iv. Prohibit the use of plastic bags onsite or for takeout/to-go orders.
 - v. Only provide single-use (biodegradable or compostable) utensils, straws, condiments, containers, and other accessory items upon request for takeout/to-go orders.
 - vi. Prohibit the sale of beverages in plastic bottles.
 - vii. Follow proper recycling practices.

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- C. Install a microfiber filtration system for all residential laundry facilities to capture and remove microfibers from the water during the laundering process.
- D. All waste resulting from restaurant activities should be exported outside the coastal zone.

The applicants shall undertake development in accordance with the approved plan. Any proposed changes to the approved final plan shall be reported to the Executive Director. No changes to the approved final plan shall occur without a Commission amendment to this coastal development permit, unless the Executive Director determines that no amendment is legally required

- 9. Methane Mitigation Plan.** PRIOR TO COMMENCEMENT OF CONSTRUCTION, the permittees shall provide to the Executive Director a copy of a permit issued by the City of Los Angeles Department of Building and Safety, a letter of permission, or evidence that no permit or permission is required, for the proposed methane mitigation system. The permittees shall inform the Executive Director of any changes to the project (including, but not limited to, the methane mitigation system) required by the City of Los Angeles Department of Building and Safety. Such changes shall not be incorporated into the project until the permittees obtain a Commission amendment to this coastal development permit, unless the Executive Director issues a written determination that no amendment is legally required.
- 10. Bird Strike Prevention.** Canal-facing deck railing systems, fences, screen walls, gates, and windows subject to this permit shall use materials designed to minimize bird-strikes. Such materials may consist, all or in part, of frosted or partially-frosted glass, or other visually permeable barriers that are designed to prevent creation of a bird strike hazard. Clear glass or Plexiglass shall not be installed unless they contain UV-reflective glazing that is visible to birds, or unless the materials are provided by Ornilux glass or equivalent. All materials shall be maintained throughout the life of the development to ensure continued effectiveness at addressing bird strikes and shall be maintained at a minimum in accordance with manufacturer specifications.
- 11. Construction Best Management Practices.** Construction Responsibilities and Debris Removal. By acceptance of this permit, the applicants agree that:
 - A. No demolition or construction materials, equipment, debris, or waste shall be placed or stored where it may enter sensitive habitat, receiving waters or a storm drain, or be subject to wind, rain or tidal erosion and dispersion;
 - B. No demolition or construction equipment, materials, or activity shall be placed in or occur in any location that would result in impacts to environmentally sensitive habitat areas;

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- C. Any and all debris resulting from demolition or construction activities shall be removed from the project site within 24 hours of completion of the project;
- D. Demolition or construction debris and sediment shall be removed from work areas regularly to prevent the accumulation of sediment and other debris that may be discharged into coastal waters;
- E. All trash and debris shall be disposed in the proper trash and recycling receptacles at the end of every construction day;
- F. The applicant(s) shall provide adequate disposal facilities for solid waste, including excess concrete, produced during demolition or construction;
- G. Debris shall be disposed of at a legal disposal site or recycled at a recycling facility. If the disposal site is located in the coastal zone, a coastal development permit or an amendment to this permit shall be required before disposal can take place unless the Executive Director determines that no amendment or new permit is legally required;
- H. All stock piles and construction materials shall be covered, enclosed on all sides, shall be located as far away as possible from drain inlets and any waterway, and shall not be stored in contact with the soil;
- I. Machinery and equipment shall be maintained and washed in confined areas specifically designed to control runoff. Thinners or solvents shall not be discharged into sanitary or storm sewer systems;
- J. The discharge of any hazardous materials into any receiving waters is prohibited;
- K. Spill prevention and control measures shall be implemented to ensure the proper handling and storage of petroleum products and other construction materials. Measures shall include a designated fueling and vehicle maintenance area with appropriate berms and protection to prevent any spillage of gasoline or related petroleum products or contact with runoff. The area shall be located as far away from the receiving waters and storm drain inlets as possible;
- L. Best Management Practices (BMPs) and Good Housekeeping Practices (GHPs) designed to prevent spillage and/or runoff of demolition or construction-related materials, and to contain sediment or contaminants associated with demolition or construction activity, shall be implemented prior to the on-set of such activity; and
- M. All BMPs shall be maintained in a functional condition throughout the duration of construction activity.

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N. Drainage and Water Quality

- i. During construction of the proposed project, no runoff, site drainage or dewatering shall be directed from the site into any canal or street that drains into a canal, unless specifically authorized by the California Regional Water Quality Control Board;
- ii. All equipment and materials shall be stored and managed in a manner to minimize the potential of pollutants to enter the canals;
- iii. A French drain, underground cistern, or other similar drainage systems that collect and reduce the amount of runoff that leaves the site shall be installed and maintained on the project site; and
- iv. All runoff leaving the site shall be directed away from the nearby bluff and beach and into the City storm drain system

12. Provision of Affordable Units.

- A. By acceptance of this permit, and as proposed by the permittees, the permittees agree that the 117 income-restricted affordable units onsite shall be maintained as affordable units, and three non-income restricted units onsite shall be maintained as manager units, for the life of the development approved by CDP No. A-5-VEN-22-0042/5-22-0588.
- B. PRIOR TO COMMENCEMENT OF CONSTRUCTION, the permittees shall provide to the Executive Director evidence that the applicants have recorded the deed restriction required by the City for the creation of affordable rental units.

13. Public Rights. The Coastal Commission's approval of this permit shall not constitute a waiver of any public rights that exist on the property. The permittees shall not use this permit as evidence of a waiver of any public rights that may exist on the property now or in the future.

14. Development Removal. By acceptance of this permit, the permittees agree, on behalf of itself and all successors and assigns, that the permittees or their successors and assigns shall remove the development authorized by this permit and any other improvements associated therewith if:

- A. The City or any other government agency with legal jurisdiction has issued a final order, not overturned through any appeal or writ proceedings, determining that the structures are currently and permanently unsafe for occupancy or use due to damage or destruction from flooding or other hazards related to coastal

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processes, and that there are no feasible measures that could make the structures suitable for habitation or use;

- B. Essential services to the site (e.g., utilities, roads) can no longer feasibly be maintained due to the coastal hazards listed above;
- C. Removal is required pursuant to LCP policies for sea level rise adaptation planning; and/or
- D. The development requires new and/or augmented shoreline protective devices that conflict with relevant LCP or Coastal Act policies.

The permittees shall obtain a coastal development permit for removal of the approved development unless the Executive Director provides a written determination that no coastal development permit is legally required.

15. Assumption of Risk, Waiver of Liability and Indemnity. By acceptance of this permit, the applicants acknowledges and agrees (i) that the site may be subject to hazards from storm conditions, liquefaction, flooding and sea level rise; (ii) to assume the risks to the applicants and the properties that are the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards; (v) that sea level rise could render it difficult or impossible to provide services to the site (e.g., maintenance of roadways, utilities, sewage or water systems), thereby constraining allowed uses of the site or rendering it uninhabitable and (viii) that the structures may be required to be removed or relocated and the site restored if it becomes unsafe or if removal is required pursuant to the Coastal Act.

16. Consistency with the Land Use Plan. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, certification of the City of Los Angeles Venice Land Use Plan Amendment No. LCP-5-VEN-23-0037-1 by the Coastal Commission must be final and effective in accordance with the procedures identified in the California Code of Regulations, Title 14, Division 5.5, Section 13544.

17. Proof of Legal Ability to Comply with Conditions. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall demonstrate the legal ability

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or authority to comply with all of the terms and conditions of this coastal development permit by submitting, for the Executive Director's review and approval, information indicating approval from the record title property owner(s) that (a) authorizes the applicants to proceed with the approved development and (b) permits the applicants to comply with the terms and conditions of this coastal development permit.

- 18. Local Government Approval.** The proposed development is subject to the review and approval of the City of Los Angeles (City). This action has no effect on conditions imposed by the City pursuant to an authority other than the Coastal Act. In the event of conflict between the terms and conditions imposed by the City and those of this coastal development permit, the terms and conditions of Coastal Development Permit A-5-VEN-22-0042/5-22-0588 shall prevail.
- 19. Liability for Costs and Attorneys' Fees.** The permittees shall reimburse the Coastal Commission in full for all Coastal Commission costs and attorneys' fees (including but not limited to such costs/fees that are: (1) charged by the Office of the Attorney General; and/or (2) imposed by a court) that the Coastal Commission incurs in connection with the defense of any action brought by a party other than the permittees against the Coastal Commission, its officers, employees, agents, successors and assigns challenging the approval or issuance of this CDP. By acceptance of the permit conditions, the applicants irrevocably agree that this obligation, which is a contractual obligation, shall be continuing in nature and remain in full force and effect regardless of whether this permit approval is invalidated as the result of the litigation contemplated by this condition or otherwise changed in any way.
- 20. Final Tract Map.** PRIOR TO ISSUANCE OF THE PERMIT, AND PRIOR TO RECORDATION OF THE FINAL TRACT MAP, the applicants shall submit to the Executive Director for review and approval, the final version of the Vesting Tentative Tract Map No. VTT-82288. The tract map shall reference that the Property is restricted pursuant to the recorded Deed Restriction, required pursuant to **Special Condition 22**. The Executive Director's review shall be for the purpose of ensuring compliance with the standard and special conditions of this Coastal Development Permit. In addition, after recordation of the final map, the applicants shall submit an electronic copy of the recorded Final Tract Map No. VTT-82288 to the Executive Director within 3 days of recordation and a physical copy no later than 30 days after recordation.
- 21. Protection of Archaeological and Tribal Cultural Resources.** The permittees shall undertake development in compliance with the following mitigation measures to protect archaeological, including tribal cultural resources:

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- A. AT LEAST ONE MONTH PRIOR TO COMMENCEMENT OF ANY GROUND-DISTURBING CONSTRUCTION ACTIVITIES, the permittees shall (i) notify in writing, email, and/or phone calls, as necessary, the representatives of Gabrieleño-affiliated Native American Tribes listed on an updated Native American Heritage Commission (NAHC) contact list for the area; (ii) invite all affiliated Tribal representatives on that list to be present and to monitor ground-disturbing activities; and (iii) arrange for any invited Tribal representative that requests to monitor and a qualified archaeological monitor to be present to observe project activities with the potential to impact archaeological and/or tribal cultural resources. A qualified archaeologist means an individual who meets the Secretary of the Interior's Professional Standards for an Archaeological Principal Investigator and/or is listed as Registered Professional Archaeologist. The monitor(s) shall have experience monitoring for archaeological resources of the local area during excavation projects, be competent to identify significant resource types, and be aware of recommended Tribal procedures for the inadvertent discovery of archaeological resources and human remains. Evidence of written notification shall be made available to the Executive Director upon request.
- B. If an area of archaeological resources is discovered during ground-disturbing activities, all construction shall cease and shall not recommence except as provided in subsection (D) hereof, and the permittees shall retain a qualified archaeologist and a tribal cultural resource specialist qualified to analyze the significance of the find in consultation with the Gabrieleño-affiliated Native American Tribes listed on the NAHC list. Significance testing may be carried out only if acceptable to the affected Native American Tribe(s), in accordance with a Significance Testing Plan. The specialist(s) shall immediately notify the affiliated Tribes on the NAHC list. An "exclusion zone" where unauthorized equipment and personnel are not permitted shall be established (e.g., taped off) around the discovery area that includes a reasonable buffer zone recommended by the monitor(s). Project activities may continue outside of the exclusion zone.
- C. Should human remains be discovered onsite during the course of the project, immediately after such discovery, the onsite archaeologist and Native American monitor(s) shall notify the County Coroner within 24 hours of such discovery, and all construction activities shall be temporarily halted until the remains can be identified. An "exclusion zone" may be established around the discovery area. If the county coroner determines that the human remains are those of a Native American, the coroner shall contact the NAHC within 24 hours, pursuant to Health and Safety Code Section 7050.5. The NAHC shall deem the Native American most likely descendant (MLD) to be invited to participate in the identification process pursuant to Public Resources Code Section 5097.98. The permittees shall comply with the requirements of Section 5097.98 and work with

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the MLD person(s) to preserve the remains in place, move the remains elsewhere onsite, relinquish the remains to the descendants for treatment, or determine other culturally appropriate treatment. Within five (5) calendar days of notification to NAHC, the permittees shall notify the Coastal Commission's Executive Director of the discovery of human remains and identify any changes to the proposed development or mitigation measures that may be needed related to the inadvertent discovery. The Executive Director shall maintain confidentiality regarding the presence of human remains on the project site. The Executive Director shall determine whether the identified changes are de minimis in nature and scope.

- D. A permittee seeking to recommence construction within an exclusion zone (excluding the discovery of human remains, which shall follow Section 5097.98 as noted in (C) above), following discovery of the archaeological resources shall submit a Supplementary Archaeological Plan (SAP) prepared by the project archaeologist in consultation with the Gabrieleño-affiliated Native American Tribes listed on the NAHC list for the review and written approval of the Executive Director. If the Executive Director approves the SAP and determines that the SAP's recommended changes to the proposed development or mitigation measures are de minimis in nature and scope, construction may recommence after this determination is made by the Executive Director in writing. If the Executive Director approves the SAP but determines that the changes therein are not de minimis, construction may not recommence until after an amendment to this permit is approved by the Commission.

22. Deed Restriction. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, AND PRIOR TO RECORDATION OF THE FINAL TRACT MAP, the applicant(s) shall submit to the Executive Director for review and approval documentation demonstrating that the landowner(s) have executed and recorded against the parcel(s) governed by this permit a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property; and (2) imposing the Special Conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property in perpetuity and run with the land. The deed restriction shall include a legal description of the entire parcel or parcels governed by this permit. The deed restriction shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property.

Exhibit 8

FIRM / AFFILIATE OFFICES

Austin	Milan
Beijing	Munich
Boston	New York
Brussels	Orange County
Century City	Paris
Chicago	Riyadh
Dubai	San Diego
Düsseldorf	San Francisco
Frankfurt	Seoul
Hamburg	Silicon Valley
Hong Kong	Singapore
Houston	Tel Aviv
London	Tokyo
Los Angeles	Washington, D.C.
Madrid	

December 19, 2024

Los Angeles City Council
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

Re: Justification for the Appeal of Board of Transportation Commissioners’ Denial of December 10, 2024 Special Meeting, Agenda Item 3: Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing

Dear Council President Harris-Dawson and Honorable Councilmembers:

On December 10, 2024, the City of Los Angeles Board of Transportation Commissioners (“BOTC”) held a special meeting to consider the Venice Dell Community Affordable Housing Project (the “Project”).¹ The BOTC Commissioners voted to not authorize the use of the City-owned Lot 731 for the affordable housing project as proposed by the Venice Community Housing Corporation and Hollywood Community Housing Corporation (“Affordable Housing Providers”). However, the BOTC has no authority to decide whether the Project goes forward. Because the action by the BOTC was ultra vires and outside the BOTC’s scope of authority, on behalf of our pro bono clients, Affordable Housing Providers, we appeal the BOTC decision to City Council.

The Project is a vital supportive housing project that has been in development for nearly a decade, and which was previously approved by the City Council. The Project will provide affordable housing for homeless and low income individuals in Venice, a community in the City of Los Angeles that contains substantially fewer affordable housing units than other areas of the City. In line with the City’s affordable housing policies, the Project will be built on an underutilized City-owned parking lot, adding 120 affordable homes to Venice while also increasing the public parking supply in Venice. The Project offers a unique opportunity to expand supportive and low income housing, increase public access, and provide low-cost, visitor-serving amenities in a high demand area.

¹ City of Los Angeles, Special Board of Transportation Commissioners Meeting Agenda (December 10, 2024), Action Item 3: “Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing.”

The BOTC voted to not authorize the use of Lot 731 for the Project. The BOTC also voted to recommend that the Los Angeles Housing Department (“LAHD”) determine the feasibility of relocating the proposed affordable housing project to Lot 701. First, the BOTC acted without substantial evidence when making determinations related to public access and affordable housing, and thus it abused its discretion. Second, the BOTC asserted that its decision-making authority stemmed from Section 22.484(g)(2)(A)(7) of the Los Angeles Administrative Code (“LAAC”). The BOTC is incorrect. LAAC Section 22.484(g)(2)(A)(7) provides the BOTC no such authority, and thus its decision has no legally binding impact on the Project. Rather, the approvals by the City Council as upheld by the Los Angeles Superior Court and by the Coastal Commission provide full authorization for the Project. The BOTC decision must be vacated.²

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The City of Los Angeles is facing a critical housing shortage, and its homelessness crisis has reached a state of emergency.³ In response to the multi-decade homelessness crisis, the City adopted the Comprehensive Homeless Strategy in February 2016.⁴ The CHS includes Strategy 7D, which states that it is “necessary to consider use of existing City properties, including unimproved lots and those with facilities that are either surplus or underused that could be developed for affordable housing and or housing for the homeless.”⁵ Strategy 7D recommends that the City Administrative Officer (“CAO”) identify City-owned property that can be used for the development of affordable housing and housing for the homeless.

Shortly after the CHS was adopted, the CAO launched the Affordable Housing Opportunity Sites (“AHOS”) initiative and conducted initial reviews of City-owned properties, including unimproved or underused lots, to determine which could be utilized for supportive

² The BOTC’s Special Meeting was also held in violation of the Brown Act, as the BOTC’s Notice of the Special December 10, 2024, did not comply with the Brown Act. The California Government Code requires that a special meeting notice state “all business to be transacted or discussed.” (Cal. Gov. Code, § 54956(a).) The Board’s notice merely stated as an action item: “Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing.” There is no statement or explanation of the action to be taken by the Board. Because the Notice did not detail the “business to be transacted,” the Board had no authority under the Brown Act to take any action on the Project. (See *Moreno v. City of ing* (2005) 127 Cal.App.4th 17.)

³ Mayor Karen Bass declared a State of Emergency on Homelessness on December 12, 2022.

⁴ City of Los Angeles, Comprehensive Homeless Strategy (Feb. 9, 2016) (“CHS”), Available at: http://clkrep.lacity.org/online/docs/2015_15-1138-s1_misc_03-21-2016.pdf.

⁵ CHS, Strategy 7D, p. 145.

housing developments. The City specifically identified Lot 731 as an underutilized site appropriate for an affordable housing project.⁶

The City subsequently sought proposals to develop an affordable housing project on Lot 731.⁷ The City issued a “Request for Qualifications Proposals (“RFP”) for the Affordable Housing Opportunity Sites.” The RFP required any proposal for Lot 731 to provide replacement parking at a 1:1 ratio and encouraged “[i]nnovative solutions for parking management and capacity.” Selection criteria included “maximiz[ing] each site’s potential for supportive and affordable housing units.” After evaluating and scoring proposals in response to the RFP, LAHD recommended the selection of the Affordable Housing Providers to construct the Project on Lot 731.

The City Council unanimously approved the Project’s approvals and entitlements on December 1, 2021.⁸ On June 15, 2022, the City Council approved a Disposition and Development Agreement (DDA) for the Project. These approvals were upheld in litigation.⁹

California Coastal Commission Decision on Appeal of the Project

Affordable Housing Providers subsequently worked with California Coastal Commission (“Coastal Commission”) staff for over two years to refine the Project to ensure the Project is consistent with the Coastal Act. On November 25, 2024, Coastal Commission staff issued a report recommending approval of the Project’s CDP and the City’s LUP Amendment.¹⁰ At its December 11, 2024 meeting, after extensive public comment and deliberation, the Coastal Commission unanimously voted to approve both the CDP and the LUP Amendment.

The Coastal Commission is charged with safeguarding public access and correctly found that, in accordance with the Coastal Act, the Project promotes public access.¹¹ Based on the findings in the two comprehensive staff reports and the extensive deliberations during its hearing on December 11, 2024, the Coastal Commission determined that the Project promotes public

⁶ See Miguel A. Santana, City Administrative Officer, *Report from Office of the City Administrative Officer, Request for Authority for Various Actions Related to the Valuation, Disposition, and Development of Affordable Housing Opportunity Sites* (May 31, 2016) (“Request for Authority”), p. 3, available at: https://clkrep.lacity.org/online/docs/2016_16-0600-S145_rpt_CAO_06-03-2016.pdf. In addition, in 2014, City Council District 11 released a Request for Information (“RFI”) to develop additional parking capacity on City-owned lots in Venice. The RFI identified Lot 731 as the “best option for the development of public parking along with affordable housing.”

⁷ See City Administrative Office (CAO), *City of Los Angeles Request for Qualifications Proposals for the Affordable Housing Opportunity Sites* (“RFP”) (Jul. 25, 2016), p. 37, available at: <https://cao.lacity.org/ahosrfq.pdf>.

⁸ Further action was taken by City Council on the Project in June 2022, including to correct map exhibits contained in the prior City Council approvals.

⁹ See *Coalition for Safe Coastal Development, supra* (Case No. 22STCP03359).

¹⁰ Available at: <https://www.coastal.ca.gov/meetings/agenda/2024/12/>.

¹¹ Public Res. Code, §§ 30001 *et seq.*

access by both increasing the amount of available parking and providing housing opportunities for low income residents who are otherwise often excluded from living near the coast.¹²

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The Project will help meet two of the City’s major goals – increased affordable housing and increased public parking – while also revitalizing the area around the Venice Canals by providing open space improvements and visitor-serving uses. As approved and conditioned, the Project will provide 120 affordable and supportive housing units on an underutilized parking lot in a high demand area of the City, all while creating more public parking than what currently exists on-site.

Venice is in dire need of affordable housing. Homelessness in Venice has increased 11 percent from 2021 to 2024, and the community’s median rent in November 2024 was 6,027 63 percent higher than the City median. However, little affordable housing has been permitted in Venice for more than a decade. From 2009 to 2020, only 70 affordable housing units were permitted in Venice. As of December 2023, after the first year of Mayor Bass’s signature Executive Directive 1 (“ED1”) to streamline affordable housing, Council District 11 had just 82 proposed units, none of which are in Venice, which is just 0.88 percent of ED1 proposed units Citywide. In 2023, the LA City Controller released two sets of data regarding projects that were 95 percent affordable or greater: 1) affordable housing covenanted properties from 1985–2022, and 2) affordable housing approvals from 2018 and 2024. For covenanted properties from 1985 to 2022, Council District 11 holds just 2.86 percent of total units Citywide. For approvals by City planning area from 2018 to 2024, only 0.84 of the total approved in the City were in Venice planning area. In contrast, South and Southeast Los Angeles contain 34 percent of the units approved.

The Project will help address this critical shortfall of affordable housing in Venice. The Project will provide 68 supportive housing units, 45 low income units, 4 Ellis Act low income units, and 3 on-site manager units. Supportive housing units will be reserved for people experiencing homelessness¹³ and earning 30 percent or less than the Area Median Income. Importantly, the Project will provide the necessary supportive services for its tenants, utilizing all best practices and exceeding the Los Angeles County requirements for supportive services in affordable and supportive housing developments. All services are individually tailored, voluntary, and free of charge. Services will take place on-site, in private case management counseling offices and in community rooms, and off-site at partner locations and or other Venice Community Housing locations. The Project will also work with multiple off-site service partners to supplement on-site staff including Venice Family Clinic, Safe Place for Youth, CLARE Foundation, Meals on Wheels, Chrysalis, Helper Foundation and others.

The Project will create these community benefits on what is today an underutilized asphalt parking lot. The City determined that the Project site is underutilized in its current use as

¹² See Coastal Commission Staff Report, Appeal No. A-5-VEN-22-0042 and CDP App. No. 5-22-0522 (Nov. 27, 2024), pp. 22-26.

¹³ As defined by Health and Safety Code Section 50675.14.

Lot 731. This is supported by a study of public parking demand in Venice commissioned by the City. While there are 196 parking spots today, the parking study confirmed that Lot 731 operates at less than 25 capacity a majority of the time. Nevertheless, the Project will not eliminate or reduce this underutilized public parking. Rather, it will increase the amount of public parking available on Lot 731.¹⁴ The Project will include 223 public parking spaces, an increase of 27 spaces, including 46 public parking spaces in the West parking structure and 177 public parking spaces in the East parking structure.¹⁵ In addition, the Project will provide 55 separate parking spaces for residents free of charge.

Moreover, the Project provides substantial visitor-serving amenities, including increased parking, boat launch improvements, small-scale retail space, and improvements to public open space along the Canal all of which encourage robust public use.¹⁶ The Project will enhance the existing on-site sidewalks, convert the existing Grand Canal Bridge from a vehicular bridge to pedestrian accessway, and remove existing gates installed beneath the bridge which prevent pedestrian access. In addition, integration of residential units and parking structures can contribute to a vibrant, mixed-use environment that enhances the overall safety and appeal of the area. Thus, the Project will increase affordable housing, provide important supportive services, provide additional public parking, and revitalize an asphalt parking lot into a vibrant community space.

A d r A d E d

The BOTC acted without substantial evidence, and thus committed an abuse of discretion. First, the BOTC considered aspects of the Project that are outside the scope of its authority established by the LAAC. Second, in denying the Project under the false assumption it will reduce public access, the BOTC made a decision that is counter to the evidence presented. The BOTC premised their decision on an inaccurate trade-off between public parking and housing, when in reality, the Project provides both housing and public parking in greater supply than what currently exists on-site.¹⁷

The BOTC acted outside the scope of its authority as provided in the LAAC. During its deliberations, the BOTC discussed and weighed the Project's potential impact on parking, affordable housing, and public access. This goes beyond the BOTC's delineated powers and

¹⁴ Tierra West Advisors, Inc., *enice ar ing Study* (June 2020), pp. 14-19.

¹⁵ Lot 731 already divides public parking between the East and West sides of the Project site, with more parking on the East side than the West side today. And studies demonstrate that there is generally sufficient parking on the West side of the Project site to meet demand outside of peak demand periods on weekends and holidays. (Tierra West Advisors, Inc., *enice ar ing Study* (June 2020).)

¹⁶ See CPC LOD, p. F-42 Updated Project Plans, Sheet 1.02.

¹⁷ For example, Commissioner Selika Talbott stated that the 120 units provided does not “balance out with the tens of thousands of people impacted by mobility.” However, Commissioner Talbott failed to acknowledge that the Project will actually increase available public parking on-site and that the BOTC's recommended alternative moving the Project to Lot 701 would eliminate existing public parking without requiring any replacement parking.

duties.¹⁸ The BOTC is limited to the specific powers and duties specified in the LAAC and those conferred by ordinance.¹⁹ In addition to its advisory role to the General Manager of the Transportation Department, the BOTC may regulate the use of public streets, parking, public utilities related to transportation, and school crossings.²⁰ However, the BOTC is not charged with protecting or even analyzing public access, nor is it charged with regulating affordable housing. Any attempt to regulate such goes beyond the scope of its authority.

Moreover, even if it were permitted to weigh these considerations which it is not the BOTC's decision clearly flies in the face of the evidence before it. The BOTC argued that the Project will reduce public access to the coast however, substantial evidence demonstrates the opposite. Namely, under current conditions, Lot 731 provides less parking than the Project proposes to provide. Today, Lot 731 includes a total of 196 public parking spaces. The Project will provide 223 public parking spaces an increase from current conditions in addition to 120 residential units. The Project will also add an additional public boat launch parking space, bringing the total up to 8, and will provide an additional 55 spaces reserved for residents.²¹

Not only will the project provide more parking, but it will provide better parking and access. The Project will significantly improve vehicular ingress and egress to the Project site. Currently, the site provides just one joint entrance exit from North Venice Blvd. to the West lot and three dedicated exit-only areas. The joint entrance exit is sometimes restricted to an entrance-only configuration using cones and all vehicles must travel over the bridge to access the East lot. The Project will add three additional entrances to the public parking area to improve vehicular access. Additionally, the Project will replace the manual, advance-pay entry point near the curb that results in queuing on the street. The Project will instead use automated entry gates, located 50 feet from the curb, which will provide additional queuing space on-site and reduce queuing times more generally. The Project will also improve the boat launch parking area by adding an ADA accessible parking space and creating a 24 ft. two-way drive aisle for all vehicles to enter and exit the boat launch parking area from North Venice Blvd. Altogether, there will 27 more parking vehicle spots and one additional boat launch spot for coastal visitors, with improved parking facilities. There is no evidence to show that the Project will reduce public access. To the contrary, it will increase it.

The Coastal Commission is charged with safeguarding public access, and the Coastal Commission correctly found that the Project promotes public access based on substantial evidence.²² Based on the findings in its staff reports and the deliberations during its hearing on December 11, 2024, the Coastal Commission determined that the Project promotes public access

¹⁸ LAAC, § 22.484(g).

¹⁹ *Id.*, § 22.484(g)(2).

²⁰ *Id.*, § 22.484(g)(2)(A)-(C).

²¹ Parking for residents will be separated from the public parking areas by gates requiring key fob access. Residential parking spaces will be provided to tenants free of charge, meaning they would not opt into paying to park in the public parking spaces. Vehicles of all residential tenants will also be required to be registered with building management.

²² Public Res. Code, §§ 30001 *et seq.*

by simultaneously increasing available parking and providing low income housing opportunities.²³ In stark contrast to the decision made by the BOTC, substantial evidence supports the Coastal Commission’s determination that the Project supports public access, parking, and housing.

The BOTC clearly acted outside the scope of its authority and failed to supports its decision with substantial evidence. Not only is the BOTC not permitted to regulate public access or affordable housing, but its decision on December 10, 2024 was clearly contrary to the evidence that the Project is providing vital affordable housing and increasing public parking and access. Thus, its decision was an abuse of discretion and should be vacated.

Ad r d r A r r r
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The BOTC’s authority related to this Project is limited. LAAC Section 22.484(g)(2)(A)(7) states that “[t]he Transportation Commission shall have the power, duty and responsibility of coordinating, directing, and managing all matters respecting the acquisition, and thereafter the management, of all public off-street parking places by the City except for those parking facilities which are under jurisdiction or control of departments controlling their own funds.”²⁴ Further, “the [Board] is authorized to conduct hearings on all matters within the purview of [Los Angeles Department of Transportation (“LADOT”)] and to advise the General Manager as to its findings and recommendations.”²⁵ Neither of these provisions provide the BOTC with authority to deny the Project or its use of Lot 731, which were previously approved by the City Council.

First, the City owns Lot 731, so the Project involves no acquisition activities. Thus, under LAAC Section 22.484(g)(2)(A)(7), the BOTC is limited to reviewing the management aspects of the Project’s public parking component. The operation and management aspects of the Project’s public parking component are not currently pending before the City. Therefore, LAAC Section 22.484(g)(2)(A)(7) does not authorize the BOTC to take any action in relation to the Project at this time.

Second, LAAC Section 22.484(g)(2)(A)(4) only permits the BOTC to make non-binding recommendations concerning public parking operation and management to the General Manager of LADOT. Attempting to deny the Project’s use of Lot 731 clearly goes beyond the scope of making non-binding recommendations related to parking management. As such, the BOTC’s action on December 10, 2024, grossly exceeded its authority. Moreover, as noted above, the Project’s public parking component is not currently under consideration. Even if the BOTC was making non-binding recommendations as permitted, such action would be premature.

²³ See Coastal Commission Staff Report, Appeal No. A-5-VEN-22-0042 and CDP App. No. 5-22-0522 (Nov. 27, 2024), pp. 22-26.

²⁴ LAAC § 22.484(g)(2)(A)(7) (emphasis added).

²⁵ *Id.*, § 22.484(g)(2)(A)(4).

The Los Angeles County Superior Court clarified the Board’s role related to the Project.²⁶ As described by the Court, LAAC Section 22.484(g)(2)(A)(7) only delegates the “acquisition and management of the City’s public off-street parking to the [BOTC].” The Court confirmed that the Board does not possess any authority under LAAC Section 22.484(g)(2)(A)(7) with respect to the Project because the City already owns the Project site, meaning “[t]here is no ‘acquisition’ at issue in this case.” On the other hand, the “disposition of the City’s real property, including parking places, intended to be for affordable housing development purposes is delegated to [the Los Angeles Housing Department] by [LAAC] [S]ection 22.606.1.”

The Court’s decision was consistent with the sworn testimony of the Assistant General Manager for the Los Angeles Housing Department and the head of LADOT’s Bureau of Parking Management. According to their sworn testimony, “the Project (or some agreement related to the Project’s parking component) will be put before the [BOTC] prior to seeking approval for the ground lease.” The Affordable Housing Developers and the City entered into a Disposition and Development Agreement (“DDA”), a binding contract that outlines the development of the Project site.²⁷ The DDA mandates the execution of the ground lease and Public Parking Agreement for the construction and management of the Project, and it requires the City and Developers to enter into a separate Public Parking Agreement *at a later date*.²⁸ Public Parking Agreement is not before the City currently. Thus, while the BOTC may review and advise as to the Public Parking Agreement, the BOTC does not have authority to approve or reject the Project or its use of Lot 731. Therefore, both the plain reading of LAAC Section 22.484(g)(2)(A)(7) and the Superior Court’s holding make it clear that the BOTC’s only role in this Project is to make non-binding recommendations to the General Manager of the LADOT related to the operational and management aspects of the Project’s public parking component. The BOTC has no authority to deny the use of Lot 731.

The BOTC also exceeded its authority by voting to recommend that LAHD determine the feasibility of relocating the Project to Lot 701. As a threshold matter, the BOTC reports to the General Manager of LADOT, not LAHD, and it has no authority to advise or make recommendations to LAHD. Its recommendation thus has no legal weight. Even if the BOTC decided to make its recommendation to relocate the Project to LADOT, such a recommendation would also carry no weight. LADOT has no authority to control the disposition of real property in this case. Indeed, the Los Angeles County Superior Court held that the “disposition of the City’s real property, including parking places, intended to be for affordable housing development purposes is delegated to [LAHD].”²⁹ Neither the LAHD nor the City Council has delegated its power to the BOTC concerning the conveyance of an interest in City-owned property or the transfer of jurisdiction of City-owned property between City departments. Nothing in the

²⁶ *Coalition for Safe Coastal Development v. City of Los Angeles* (Case No. 22STCP03359) (July 11, 2024).

²⁷ The City and the Applicants executed a DDA Side Letter in July 2024, setting out the anticipated schedule of performance for these documents.

²⁸ DDA Section 1.1.d.

²⁹ *Coalition for Safe Coastal Development v. City of Los Angeles*, p. 19.

Administrative Code grants the initial or ultimate decision-making authority to the BOTC to dispose or transfer jurisdiction of City-owned parking lots or even to make recommendations regarding such regardless of whether they are operated by LADOT.

Even if the BOTC had such authority which it does not it has no grounds to claim that Lot 701 would be a better site for the Project. The City properly determined that Lot 731 was a site suitable for the Project. The City undertook an extensive review process, discussed above, to identify underutilized City properties suitable for redevelopment as affordable housing. Lot 701 existed at the time that the City conducted its review, yet the City identified Lot 731, not Lot 701. In fact, evidence demonstrates that Lot 701 is unsuitable for a housing project. Lot 701 is smaller than Lot 731 by approximately one acre. Lot 701 is also an unusual shape, with a stretch of 100-ft. wide lots transitioning into a narrower, roughly 60-ft. wide set of lots resembling a rectangle with a large wedge carved out.³⁰ The smaller overall size, narrow width, and sharp corner in the middle of the wider lot portion would render development of a single multi-unit structure, or even two multi-unit structures, infeasible without a drastic reduction in the number of units. Moreover, the BOTC argues that relocating the Project to Lot 701 means that there would be no need for replacement parking. Not only is this recommendation outside the BOTC's authority, it is antithetical to the City's goals for providing public beach parking for the BOTC, which is tasked with "management of off-street parking places," to recommend a project alternative that would provide zero replacement public parking spaces on an existing public parking lot.

Nothing in the Administrative Code grants the BOTC the authority to deny the Project or to make recommendations to LAHD. Thus, the BOTC decisions on December 10, 2024, were in excess of its authority and must be vacated.

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As described above, both the City and the Coastal Commission have already approved the Project. The City identified Lot 731 for affordable housing and chose the Affordable Housing Providers to develop the Project. Three years ago, on December 1, 2021, the City Council unanimously approved a Coastal Development Permit for the Project, along with other entitlements.³¹ The City Council's approvals were then challenged in litigation, and the City and the Affordable Housing Providers successfully defended the City's approvals in court. On May 21, 2024, the Superior Court for the County of Los Angeles upheld each of the Project's approvals.³² This decision is final. In addition, during the hearing for the Project on December 11, 2024, the Coastal Commission unanimously voted to certify the LUP Amendment as

³⁰ See Coastal Commission Staff Report, Appeal No. A-5-VEN-22-0042 and CDP App. No. 5-22-0522 (Nov. 27, 2024), p. 72.

³¹ Council File No. 21-0829-S1. Further action was taken by City Council on the Project in June 2022, including to correct map exhibits contained in the prior City Council approvals.

³² *Coalition for Safe Coastal Development v. City of Los Angeles* (Case No. 22STCV00162) (May 21, 2024).

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modified and to approve the CDP. The BOTC's ultra vires action on December 10, 2024, has no power to reverse these approvals.

The BOTC's consideration of the Project at the special meeting was beyond the BOTC's legal power and authority and, therefore, their action is not binding. Accordingly, on behalf of Affordable Housing Providers, we appeal the decision of BOTC to City Council and respectfully request that you vacate the BOTC's action.

Best regards,



Duncan Joseph Moore
of LATHAM & WATKINS LLP

cc: Becky Dennison, Venice Community Housing Corporation
Sarah Letts, Hollywood Community Housing Corporation
Laura Rubio-Cornejo, General Manager, Los Angeles Department of Transportation
Jay Kim, Assistant General Manager, Los Angeles Department of Transportation
Ken Husting, Los Angeles Department of Transportation
Michelle Cayton, Los Angeles Department of Transportation
Hydee Feldstein Soto, City Attorney, Los Angeles City Attorney's Office
John Heath, Los Angeles City Attorney's Office
Michael Nagle, Los Angeles City Attorney's Office
Kevin Dufner, Los Angeles City Attorney's Office
Yolanda Chavez, Los Angeles City Attorney's Office
Kevin Keller, Interim Deputy Mayor of Housing, Office of Mayor Karen Bass
Star Parsamyan, Chief of Staff, Council District 11 Councilmember Traci Park
Arsen Voskerchyan, Los Angeles Bureau of Engineering
Tricia Keane, Executive Officer, Los Angeles Housing Department
Eric Claros, Director of Housing, Los Angeles Housing Department
Lisa Webber, Deputy Director of Planning, Los Angeles City Planning
Juliet Oh, Senior City Planner, Los Angeles City Planning
Beth Gordie, Latham & Watkins LLP
Benjamin Hanelin, Latham & Watkins LLP
Lucas uass, Latham & Watkins LLP

Exhibit 9

355 South Grand Avenue, Suite 100
Los Angeles, California 90071-1560
Tel: +1.213.485.1234 Fax: +1.213.891.8763
www.lw.com

LATHAM & WATKINS LLP

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VIA EMAIL

February 19, 2025

Los Angeles City Council
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

Re: Venice Dell: Appeal of Board of Transportation Commissioners' Denial of December 10, 2024 Special Meeting, Agenda Item 3: Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing

Dear Council President Harris-Dawson and Honorable Councilmembers:

We are writing on behalf of our pro bono clients, the Venice Community Housing Corporation and Hollywood Community Housing Corporation (“Affordable Housing Providers”), to confirm that their appeal from the Board of Transportation Commissioners’ (“BOTC”) December 10, 2024 Special Meeting determination regarding the use of Lot 731 for the Venice Dell Community Affordable Housing Project (the “Project”) has been accepted and will be heard by the Los Angeles City Council.¹ We submitted the appeal via a letter to the City Council on December 19, 2024, entitled Justification for the Appeal of Board of Transportation Commissioners’ Denial of December 10, 2024 Special Meeting, Agenda Item 3: Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing. (See Attachment 1.) Our appeal was sent to the City two months ago, and we have not received a response from the City.

In the wake of the tragic firestorm and loss of housing in the City, the supportive and affordable housing provided by the Project is even more vital for the most at risk members of the community. It is widely anticipated that it will take years to rebuild and restore the housing and communities damaged by the fires. And while the Project will likely not provide replacement

¹ City of Los Angeles, Special Board of Transportation Commissioners Meeting Agenda, December 10, 2024), Action Item 3: “Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing.”

homes for families that so tragically lost their apartment homes in the Pacific Palisades, the Project is well suited to provide immediate help to the greater Los Angeles community through the construction of 120 affordable housing units on an underutilized City-owned parking lot, while also increasing the public parking supply with two new parking garages. Although the Project may not directly address the tragic losses from the fires, the Project still offers a unique opportunity for the City to expand supportive and affordable housing, increase public access to the coast, and provide visitor-serving amenities in a high demand area. The City needs this housing more than ever.

As described in our December 19, 2024 appeal letter, the BOTC's consideration of the Project at the Special Meeting was both an abuse of discretion and beyond the BOTC's legal power and authority. First, the BOTC abused its discretion when it acted without substantial evidence when making determinations related to public access and affordable housing. Second, while the BOTC asserted that its decision-making authority stemmed from Section 22.484(g)(2)(A)(7) of the Los Angeles Administrative Code ("LAAC"), LAAC Section 22.484(g)(2)(A)(7) provides the BOTC no such authority. Rather, the approvals by the City Council—as upheld by the Los Angeles Superior Court—and by the Coastal Commission provide full authorization for the Project.² City Council should hear our appeal promptly, and the BOTC decision must be vacated.

Under the Los Angeles City Charter, actions of boards of commissioners become final after five City Council meeting days during which the City Council has convened in regular session.³ The fifth City Council meeting after the BOTC's December 10, 2024 Special Meeting was on January 15, 2025. Thus, the BOTC's action became final on January 15, 2025. However, because the BOTC's consideration of the Project at the Special Meeting was beyond the BOTC's legal power and authority, their action is not binding. Accordingly, on behalf of Affordable Housing Providers, on December 19, 2024, we appealed the BOTC decision to City Council. Accordingly, we request that the Los Angeles City Council confirm receipt of this letter and our appeal letter sent on December 19, 2024. We also request that the Los Angeles City Council provide guidance as to the appeals process for the decision made by the BOTC or confirm that BOTC's action was final and not subject to further appeal.

² The City Council unanimously approved the Project's approvals and entitlements on December 1, 2021. Council File No. 21-0829-S1. Further action was taken by City Council on the Project in June 2022, including to correct map exhibits contained in the prior City Council approvals. These approvals were upheld in litigation. *Coalition for Safe Coastal Development v. City of Los Angeles* (Case No. 22STCP03359) (July 11, 2024).

³ Los Angeles City Charter, § 245.

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Thank you for your consideration of this matter. Please do not hesitate to contact me if you wish to discuss this matter further.

Very truly yours,



Duncan Joseph Moore
of LATHAM & WATKINS LLP

cc: Becky Dennison, Venice Community Housing Corporation
Sarah Letts, Hollywood Community Housing Corporation
Laura Rubio-Cornejo, General Manager, Los Angeles Department of Transportation
Jay Kim, Assistant General Manager, Los Angeles Department of Transportation
Ken Husting, Los Angeles Department of Transportation
Michelle Cayton, Los Angeles Department of Transportation
Hydee Feldstein Soto, City Attorney, Los Angeles City Attorney's Office
John Heath, Los Angeles City Attorney's Office
Michael Nagle, Los Angeles City Attorney's Office
Kevin Dufner, Los Angeles City Attorney's Office
Yolanda Chavez, Los Angeles City Attorney's Office
Kevin Keller, Planning Department
Star Parsamyan, Chief of Staff, Council District 11 Councilmember Traci Park
Arsen Voskerchyan, Los Angeles Bureau of Engineering
Tricia Keane, Executive Officer, Los Angeles Housing Department
Eric Claros, Director of Housing, Los Angeles Housing Department
Lisa Webber, Deputy Director of Planning, Los Angeles City Planning
Juliet Oh, Senior City Planner, Los Angeles City Planning
Beth Gordie, Latham & Watkins LLP
Benjamin Hanelin, Latham & Watkins LLP
Lucas Quass, Latham & Watkins LLP

Attachment 1

From: Gordie, Beth (LA)
Sent: Thursday, December 19, 2024 4:29 PM
To: clerk.cps@lacity.org
Cc: 'Becky Dennison'; 'Sarah Letts'; 'laura.cornejo@lacity.org'; 'jay.kim@lacity.org'; 'ken.husting@lacity.org'; 'michelle.cayton@lacity.org'; ladot@lacity.org; 'Hydee.FeldsteinSoto@lacity.org'; 'John.Heath@lacity.org'; 'michael.nagle@lacity.org'; 'kevin.dufner@lacity.org'; 'yolanda.chavez@lacity.org'; 'kevin.keller@lacity.org'; 'star.parsamyan@lacity.org'; 'arsen.voskerchyan@lacity.org'; 'tricia.keane@lacity.org'; 'eric.claros@lacity.org'; 'lisa.webber@lacity.org'; 'Juliet.Oh@lacity.org'; Moore, DJ (LA); Hanelin, Benjamin (LA); Quass, Lucas (OC)
Subject: Appeal of Board of Transportation Commissioners' Denial of December 10, 2024 Special Meeting, Agenda Item 3: Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing
Attachments: Appeal of BOTC Action at 12.10.24 Special Meeting on Lot 731 in Venice for Affordable Housing.pdf

Dear Holly L. Wolcott, City Clerk.

On behalf of our clients Venice Community Housing Corporation and Hollywood Community Housing Corporation, we submit the attached appeal to the City Council of the Board of Transportation Commissioners' Denial of December 10, 2024 Special Meeting, Agenda Item 3: Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing.

If there is an appeal fee due for this appeal, please let us know what it is so we can pay the fee.

Please do not hesitate to contact us with any questions.

Thanks so much.

Beth

Beth Gordie
She/Her/Hers

LATHAM & WATKINS LLP
355 South Grand Avenue, Suite 100
Los Angeles, CA 90071-1560
Direct Dial: +1.213.891.8369
Email: beth.gordie@lw.com
<https://www.lw.com>

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December 19, 2024

Los Angeles City Council
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

Re: Justification for the Appeal of Board of Transportation Commissioners’ Denial of December 10, 2024 Special Meeting, Agenda Item 3: Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing

Dear Council President Harris-Dawson and Honorable Councilmembers:

On December 10, 2024, the City of Los Angeles Board of Transportation Commissioners (“BOTC”) held a special meeting to consider the Venice Dell Community Affordable Housing Project (the “Project”).¹ The BOTC Commissioners voted to not authorize the use of the City-owned Lot 731 for the affordable housing project as proposed by the Venice Community Housing Corporation and Hollywood Community Housing Corporation (“Affordable Housing Providers”). However, the BOTC has no authority to decide whether the Project goes forward. Because the action by the BOTC was ultra vires and outside the BOTC’s scope of authority, on behalf of our pro bono clients, Affordable Housing Providers, we appeal the BOTC decision to City Council.

The Project is a vital supportive housing project that has been in development for nearly a decade, and which was previously approved by the City Council. The Project will provide affordable housing for homeless and low income individuals in Venice, a community in the City of Los Angeles that contains substantially fewer affordable housing units than other areas of the City. In line with the City’s affordable housing policies, the Project will be built on an underutilized City-owned parking lot, adding 120 affordable homes to Venice while also increasing the public parking supply in Venice. The Project offers a unique opportunity to expand supportive and low income housing, increase public access, and provide low-cost, visitor-serving amenities in a high demand area.

¹ City of Los Angeles, Special Board of Transportation Commissioners Meeting Agenda (December 10, 2024), Action Item 3: “Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing.”

The BOTC voted to not authorize the use of Lot 731 for the Project. The BOTC also voted to recommend that the Los Angeles Housing Department (“LAHD”) determine the feasibility of relocating the proposed affordable housing project to Lot 701. First, the BOTC acted without substantial evidence when making determinations related to public access and affordable housing, and thus it abused its discretion. Second, the BOTC asserted that its decision-making authority stemmed from Section 22.484(g)(2)(A)(7) of the Los Angeles Administrative Code (“LAAC”). The BOTC is incorrect. LAAC Section 22.484(g)(2)(A)(7) provides the BOTC no such authority, and thus its decision has no legally binding impact on the Project. Rather, the approvals by the City Council as upheld by the Los Angeles Superior Court and by the Coastal Commission provide full authorization for the Project. The BOTC decision must be vacated.²

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The City of Los Angeles is facing a critical housing shortage, and its homelessness crisis has reached a state of emergency.³ In response to the multi-decade homelessness crisis, the City adopted the Comprehensive Homeless Strategy in February 2016.⁴ The CHS includes Strategy 7D, which states that it is “necessary to consider use of existing City properties, including unimproved lots and those with facilities that are either surplus or underused that could be developed for affordable housing and or housing for the homeless.”⁵ Strategy 7D recommends that the City Administrative Officer (“CAO”) identify City-owned property that can be used for the development of affordable housing and housing for the homeless.

Shortly after the CHS was adopted, the CAO launched the Affordable Housing Opportunity Sites (“AHOS”) initiative and conducted initial reviews of City-owned properties, including unimproved or underused lots, to determine which could be utilized for supportive

² The BOTC’s Special Meeting was also held in violation of the Brown Act, as the BOTC’s Notice of the Special December 10, 2024, did not comply with the Brown Act. The California Government Code requires that a special meeting notice state “all business to be transacted or discussed.” (Cal. Gov. Code, § 54956(a).) The Board’s notice merely stated as an action item: “Proposed Redevelopment of Municipal Parking Lot No. 731 in Venice for Affordable Housing.” There is no statement or explanation of the action to be taken by the Board. Because the Notice did not detail the “business to be transacted,” the Board had no authority under the Brown Act to take any action on the Project. (See *Moreno v. City of ing* (2005) 127 Cal.App.4th 17.)

³ Mayor Karen Bass declared a State of Emergency on Homelessness on December 12, 2022.

⁴ City of Los Angeles, Comprehensive Homeless Strategy (Feb. 9, 2016) (“CHS”), Available at: http://clkrep.lacity.org/online/docs/2015_15-1138-s1_misc_03-21-2016.pdf.

⁵ CHS, Strategy 7D, p. 145.

housing developments. The City specifically identified Lot 731 as an underutilized site appropriate for an affordable housing project.⁶

The City subsequently sought proposals to develop an affordable housing project on Lot 731.⁷ The City issued a “Request for Qualifications Proposals (“RFP”) for the Affordable Housing Opportunity Sites.” The RFP required any proposal for Lot 731 to provide replacement parking at a 1:1 ratio and encouraged “[i]nnovative solutions for parking management and capacity.” Selection criteria included “maximiz[ing] each site’s potential for supportive and affordable housing units.” After evaluating and scoring proposals in response to the RFP, LAHD recommended the selection of the Affordable Housing Providers to construct the Project on Lot 731.

The City Council unanimously approved the Project’s approvals and entitlements on December 1, 2021.⁸ On June 15, 2022, the City Council approved a Disposition and Development Agreement (DDA) for the Project. These approvals were upheld in litigation.⁹

California Coastal Commission Decision on Appeal of the Project

Affordable Housing Providers subsequently worked with California Coastal Commission (“Coastal Commission”) staff for over two years to refine the Project to ensure the Project is consistent with the Coastal Act. On November 25, 2024, Coastal Commission staff issued a report recommending approval of the Project’s CDP and the City’s LUP Amendment.¹⁰ At its December 11, 2024 meeting, after extensive public comment and deliberation, the Coastal Commission unanimously voted to approve both the CDP and the LUP Amendment.

The Coastal Commission is charged with safeguarding public access and correctly found that, in accordance with the Coastal Act, the Project promotes public access.¹¹ Based on the findings in the two comprehensive staff reports and the extensive deliberations during its hearing on December 11, 2024, the Coastal Commission determined that the Project promotes public

⁶ See Miguel A. Santana, City Administrative Officer, *Report from Office of the City Administrative Officer, Request for Authority for Various Actions Related to the Valuation, Disposition, and Development of Affordable Housing Opportunity Sites* (May 31, 2016) (“Request for Authority”), p. 3, available at: https://clkrep.lacity.org/online/docs/2016_16-0600-S145_rpt_CAO_06-03-2016.pdf. In addition, in 2014, City Council District 11 released a Request for Information (“RFI”) to develop additional parking capacity on City-owned lots in Venice. The RFI identified Lot 731 as the “best option for the development of public parking along with affordable housing.”

⁷ See City Administrative Office (CAO), *City of Los Angeles Request for Qualifications Proposals for the Affordable Housing Opportunity Sites* (“RFP”) (Jul. 25, 2016), p. 37, available at: <https://cao.lacity.org/ahosrfq.pdf>.

⁸ Further action was taken by City Council on the Project in June 2022, including to correct map exhibits contained in the prior City Council approvals.

⁹ See *Coalition for Safe Coastal Development, supra* (Case No. 22STCP03359).

¹⁰ Available at: <https://www.coastal.ca.gov/meetings/agenda/2024/12/>.

¹¹ Public Res. Code, §§ 30001 *et seq.*

access by both increasing the amount of available parking and providing housing opportunities for low income residents who are otherwise often excluded from living near the coast.¹²

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The Project will help meet two of the City’s major goals – increased affordable housing and increased public parking – while also revitalizing the area around the Venice Canals by providing open space improvements and visitor-serving uses. As approved and conditioned, the Project will provide 120 affordable and supportive housing units on an underutilized parking lot in a high demand area of the City, all while creating more public parking than what currently exists on-site.

Venice is in dire need of affordable housing. Homelessness in Venice has increased 11 percent from 2021 to 2024, and the community’s median rent in November 2024 was 6,027 63 percent higher than the City median. However, little affordable housing has been permitted in Venice for more than a decade. From 2009 to 2020, only 70 affordable housing units were permitted in Venice. As of December 2023, after the first year of Mayor Bass’s signature Executive Directive 1 (“ED1”) to streamline affordable housing, Council District 11 had just 82 proposed units, none of which are in Venice, which is just 0.88 percent of ED1 proposed units Citywide. In 2023, the LA City Controller released two sets of data regarding projects that were 95 percent affordable or greater: 1) affordable housing covenanted properties from 1985–2022, and 2) affordable housing approvals from 2018 and 2024. For covenanted properties from 1985 to 2022, Council District 11 holds just 2.86 percent of total units Citywide. For approvals by City planning area from 2018 to 2024, only 0.84 of the total approved in the City were in Venice planning area. In contrast, South and Southeast Los Angeles contain 34 percent of the units approved.

The Project will help address this critical shortfall of affordable housing in Venice. The Project will provide 68 supportive housing units, 45 low income units, 4 Ellis Act low income units, and 3 on-site manager units. Supportive housing units will be reserved for people experiencing homelessness¹³ and earning 30 percent or less than the Area Median Income. Importantly, the Project will provide the necessary supportive services for its tenants, utilizing all best practices and exceeding the Los Angeles County requirements for supportive services in affordable and supportive housing developments. All services are individually tailored, voluntary, and free of charge. Services will take place on-site, in private case management counseling offices and in community rooms, and off-site at partner locations and or other Venice Community Housing locations. The Project will also work with multiple off-site service partners to supplement on-site staff including Venice Family Clinic, Safe Place for Youth, CLARE Foundation, Meals on Wheels, Chrysalis, Helper Foundation and others.

The Project will create these community benefits on what is today an underutilized asphalt parking lot. The City determined that the Project site is underutilized in its current use as

¹² See Coastal Commission Staff Report, Appeal No. A-5-VEN-22-0042 and CDP App. No. 5-22-0522 (Nov. 27, 2024), pp. 22-26.

¹³ As defined by Health and Safety Code Section 50675.14.

Lot 731. This is supported by a study of public parking demand in Venice commissioned by the City. While there are 196 parking spots today, the parking study confirmed that Lot 731 operates at less than 25 capacity a majority of the time. Nevertheless, the Project will not eliminate or reduce this underutilized public parking. Rather, it will increase the amount of public parking available on Lot 731.¹⁴ The Project will include 223 public parking spaces, an increase of 27 spaces, including 46 public parking spaces in the West parking structure and 177 public parking spaces in the East parking structure.¹⁵ In addition, the Project will provide 55 separate parking spaces for residents free of charge.

Moreover, the Project provides substantial visitor-serving amenities, including increased parking, boat launch improvements, small-scale retail space, and improvements to public open space along the Canal all of which encourage robust public use.¹⁶ The Project will enhance the existing on-site sidewalks, convert the existing Grand Canal Bridge from a vehicular bridge to pedestrian accessway, and remove existing gates installed beneath the bridge which prevent pedestrian access. In addition, integration of residential units and parking structures can contribute to a vibrant, mixed-use environment that enhances the overall safety and appeal of the area. Thus, the Project will increase affordable housing, provide important supportive services, provide additional public parking, and revitalize an asphalt parking lot into a vibrant community space.

A d r A d E d

The BOTC acted without substantial evidence, and thus committed an abuse of discretion. First, the BOTC considered aspects of the Project that are outside the scope of its authority established by the LAAC. Second, in denying the Project under the false assumption it will reduce public access, the BOTC made a decision that is counter to the evidence presented. The BOTC premised their decision on an inaccurate trade-off between public parking and housing, when in reality, the Project provides both housing and public parking in greater supply than what currently exists on-site.¹⁷

The BOTC acted outside the scope of its authority as provided in the LAAC. During its deliberations, the BOTC discussed and weighed the Project's potential impact on parking, affordable housing, and public access. This goes beyond the BOTC's delineated powers and

¹⁴ Tierra West Advisors, Inc., *enice ar ing Study* (June 2020), pp. 14-19.

¹⁵ Lot 731 already divides public parking between the East and West sides of the Project site, with more parking on the East side than the West side today. And studies demonstrate that there is generally sufficient parking on the West side of the Project site to meet demand outside of peak demand periods on weekends and holidays. (Tierra West Advisors, Inc., *enice ar ing Study* (June 2020).)

¹⁶ See CPC LOD, p. F-42 Updated Project Plans, Sheet 1.02.

¹⁷ For example, Commissioner Selika Talbott stated that the 120 units provided does not "balance out with the tens of thousands of people impacted by mobility." However, Commissioner Talbott failed to acknowledge that the Project will actually increase available public parking on-site and that the BOTC's recommended alternative moving the Project to Lot 701 would eliminate existing public parking without requiring any replacement parking.

duties.¹⁸ The BOTC is limited to the specific powers and duties specified in the LAAC and those conferred by ordinance.¹⁹ In addition to its advisory role to the General Manager of the Transportation Department, the BOTC may regulate the use of public streets, parking, public utilities related to transportation, and school crossings.²⁰ However, the BOTC is not charged with protecting or even analyzing public access, nor is it charged with regulating affordable housing. Any attempt to regulate such goes beyond the scope of its authority.

Moreover, even if it were permitted to weigh these considerations which it is not the BOTC's decision clearly flies in the face of the evidence before it. The BOTC argued that the Project will reduce public access to the coast however, substantial evidence demonstrates the opposite. Namely, under current conditions, Lot 731 provides less parking than the Project proposes to provide. Today, Lot 731 includes a total of 196 public parking spaces. The Project will provide 223 public parking spaces an increase from current conditions in addition to 120 residential units. The Project will also add an additional public boat launch parking space, bringing the total up to 8, and will provide an additional 55 spaces reserved for residents.²¹

Not only will the project provide more parking, but it will provide better parking and access. The Project will significantly improve vehicular ingress and egress to the Project site. Currently, the site provides just one joint entrance exit from North Venice Blvd. to the West lot and three dedicated exit-only areas. The joint entrance exit is sometimes restricted to an entrance-only configuration using cones and all vehicles must travel over the bridge to access the East lot. The Project will add three additional entrances to the public parking area to improve vehicular access. Additionally, the Project will replace the manual, advance-pay entry point near the curb that results in queuing on the street. The Project will instead use automated entry gates, located 50 feet from the curb, which will provide additional queuing space on-site and reduce queuing times more generally. The Project will also improve the boat launch parking area by adding an ADA accessible parking space and creating a 24 ft. two-way drive aisle for all vehicles to enter and exit the boat launch parking area from North Venice Blvd. Altogether, there will 27 more parking vehicle spots and one additional boat launch spot for coastal visitors, with improved parking facilities. There is no evidence to show that the Project will reduce public access. To the contrary, it will increase it.

The Coastal Commission is charged with safeguarding public access, and the Coastal Commission correctly found that the Project promotes public access based on substantial evidence.²² Based on the findings in its staff reports and the deliberations during its hearing on December 11, 2024, the Coastal Commission determined that the Project promotes public access

¹⁸ LAAC, § 22.484(g).

¹⁹ *Id.*, § 22.484(g)(2).

²⁰ *Id.*, § 22.484(g)(2)(A)-(C).

²¹ Parking for residents will be separated from the public parking areas by gates requiring key fob access. Residential parking spaces will be provided to tenants free of charge, meaning they would not opt into paying to park in the public parking spaces. Vehicles of all residential tenants will also be required to be registered with building management.

²² Public Res. Code, §§ 30001 *et seq.*

by simultaneously increasing available parking and providing low income housing opportunities.²³ In stark contrast to the decision made by the BOTC, substantial evidence supports the Coastal Commission’s determination that the Project supports public access, parking, and housing.

The BOTC clearly acted outside the scope of its authority and failed to supports its decision with substantial evidence. Not only is the BOTC not permitted to regulate public access or affordable housing, but its decision on December 10, 2024 was clearly contrary to the evidence that the Project is providing vital affordable housing and increasing public parking and access. Thus, its decision was an abuse of discretion and should be vacated.

Ad r d r A r r r
M d LA

The BOTC’s authority related to this Project is limited. LAAC Section 22.484(g)(2)(A)(7) states that “[t]he Transportation Commission shall have the power, duty and responsibility of coordinating, directing, and managing all matters respecting the acquisition, and thereafter the management, of all public off-street parking places by the City except for those parking facilities which are under jurisdiction or control of departments controlling their own funds.”²⁴ Further, “the [Board] is authorized to conduct hearings on all matters within the purview of [Los Angeles Department of Transportation (“LADOT”)] and to advise the General Manager as to its findings and recommendations.”²⁵ Neither of these provisions provide the BOTC with authority to deny the Project or its use of Lot 731, which were previously approved by the City Council.

First, the City owns Lot 731, so the Project involves no acquisition activities. Thus, under LAAC Section 22.484(g)(2)(A)(7), the BOTC is limited to reviewing the management aspects of the Project’s public parking component. The operation and management aspects of the Project’s public parking component are not currently pending before the City. Therefore, LAAC Section 22.484(g)(2)(A)(7) does not authorize the BOTC to take any action in relation to the Project at this time.

Second, LAAC Section 22.484(g)(2)(A)(4) only permits the BOTC to make non-binding recommendations concerning public parking operation and management to the General Manager of LADOT. Attempting to deny the Project’s use of Lot 731 clearly goes beyond the scope of making non-binding recommendations related to parking management. As such, the BOTC’s action on December 10, 2024, grossly exceeded its authority. Moreover, as noted above, the Project’s public parking component is not currently under consideration. Even if the BOTC was making non-binding recommendations as permitted, such action would be premature.

²³ See Coastal Commission Staff Report, Appeal No. A-5-VEN-22-0042 and CDP App. No. 5-22-0522 (Nov. 27, 2024), pp. 22-26.

²⁴ LAAC § 22.484(g)(2)(A)(7) (emphasis added).

²⁵ *Id.*, § 22.484(g)(2)(A)(4).

The Los Angeles County Superior Court clarified the Board’s role related to the Project.²⁶ As described by the Court, LAAC Section 22.484(g)(2)(A)(7) only delegates the “acquisition and management of the City’s public off-street parking to the [BOTC].” The Court confirmed that the Board does not possess any authority under LAAC Section 22.484(g)(2)(A)(7) with respect to the Project because the City already owns the Project site, meaning “[t]here is no ‘acquisition’ at issue in this case.” On the other hand, the “disposition of the City’s real property, including parking places, intended to be for affordable housing development purposes is delegated to [the Los Angeles Housing Department] by [LAAC] [S]ection 22.606.1.”

The Court’s decision was consistent with the sworn testimony of the Assistant General Manager for the Los Angeles Housing Department and the head of LADOT’s Bureau of Parking Management. According to their sworn testimony, “the Project (or some agreement related to the Project’s parking component) will be put before the [BOTC] prior to seeking approval for the ground lease.” The Affordable Housing Developers and the City entered into a Disposition and Development Agreement (“DDA”), a binding contract that outlines the development of the Project site.²⁷ The DDA mandates the execution of the ground lease and Public Parking Agreement for the construction and management of the Project, and it requires the City and Developers to enter into a separate Public Parking Agreement *at a later date*.²⁸ Public Parking Agreement is not before the City currently. Thus, while the BOTC may review and advise as to the Public Parking Agreement, the BOTC does not have authority to approve or reject the Project or its use of Lot 731. Therefore, both the plain reading of LAAC Section 22.484(g)(2)(A)(7) and the Superior Court’s holding make it clear that the BOTC’s only role in this Project is to make non-binding recommendations to the General Manager of the LADOT related to the operational and management aspects of the Project’s public parking component. The BOTC has no authority to deny the use of Lot 731.

The BOTC also exceeded its authority by voting to recommend that LAHD determine the feasibility of relocating the Project to Lot 701. As a threshold matter, the BOTC reports to the General Manager of LADOT, not LAHD, and it has no authority to advise or make recommendations to LAHD. Its recommendation thus has no legal weight. Even if the BOTC decided to make its recommendation to relocate the Project to LADOT, such a recommendation would also carry no weight. LADOT has no authority to control the disposition of real property in this case. Indeed, the Los Angeles County Superior Court held that the “disposition of the City’s real property, including parking places, intended to be for affordable housing development purposes is delegated to [LAHD].”²⁹ Neither the LAHD nor the City Council has delegated its power to the BOTC concerning the conveyance of an interest in City-owned property or the transfer of jurisdiction of City-owned property between City departments. Nothing in the

²⁶ *Coalition for Safe Coastal Development v. City of Los Angeles* (Case No. 22STCP03359) (July 11, 2024).

²⁷ The City and the Applicants executed a DDA Side Letter in July 2024, setting out the anticipated schedule of performance for these documents.

²⁸ DDA Section 1.1.d.

²⁹ *Coalition for Safe Coastal Development v. City of Los Angeles*, p. 19.

Administrative Code grants the initial or ultimate decision-making authority to the BOTC to dispose or transfer jurisdiction of City-owned parking lots or even to make recommendations regarding such regardless of whether they are operated by LADOT.

Even if the BOTC had such authority which it does not it has no grounds to claim that Lot 701 would be a better site for the Project. The City properly determined that Lot 731 was a site suitable for the Project. The City undertook an extensive review process, discussed above, to identify underutilized City properties suitable for redevelopment as affordable housing. Lot 701 existed at the time that the City conducted its review, yet the City identified Lot 731, not Lot 701. In fact, evidence demonstrates that Lot 701 is unsuitable for a housing project. Lot 701 is smaller than Lot 731 by approximately one acre. Lot 701 is also an unusual shape, with a stretch of 100-ft. wide lots transitioning into a narrower, roughly 60-ft. wide set of lots resembling a rectangle with a large wedge carved out.³⁰ The smaller overall size, narrow width, and sharp corner in the middle of the wider lot portion would render development of a single multi-unit structure, or even two multi-unit structures, infeasible without a drastic reduction in the number of units. Moreover, the BOTC argues that relocating the Project to Lot 701 means that there would be no need for replacement parking. Not only is this recommendation outside the BOTC's authority, it is antithetical to the City's goals for providing public beach parking for the BOTC, which is tasked with "management of off-street parking places," to recommend a project alternative that would provide zero replacement public parking spaces on an existing public parking lot.

Nothing in the Administrative Code grants the BOTC the authority to deny the Project or to make recommendations to LAHD. Thus, the BOTC decisions on December 10, 2024, were in excess of its authority and must be vacated.

r r A r d d

As described above, both the City and the Coastal Commission have already approved the Project. The City identified Lot 731 for affordable housing and chose the Affordable Housing Providers to develop the Project. Three years ago, on December 1, 2021, the City Council unanimously approved a Coastal Development Permit for the Project, along with other entitlements.³¹ The City Council's approvals were then challenged in litigation, and the City and the Affordable Housing Providers successfully defended the City's approvals in court. On May 21, 2024, the Superior Court for the County of Los Angeles upheld each of the Project's approvals.³² This decision is final. In addition, during the hearing for the Project on December 11, 2024, the Coastal Commission unanimously voted to certify the LUP Amendment as

³⁰ See Coastal Commission Staff Report, Appeal No. A-5-VEN-22-0042 and CDP App. No. 5-22-0522 (Nov. 27, 2024), p. 72.

³¹ Council File No. 21-0829-S1. Further action was taken by City Council on the Project in June 2022, including to correct map exhibits contained in the prior City Council approvals.

³² *Coalition for Safe Coastal Development v. City of Los Angeles* (Case No. 22STCV00162) (May 21, 2024).

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modified and to approve the CDP. The BOTC's ultra vires action on December 10, 2024, has no power to reverse these approvals.

The BOTC's consideration of the Project at the special meeting was beyond the BOTC's legal power and authority and, therefore, their action is not binding. Accordingly, on behalf of Affordable Housing Providers, we appeal the decision of BOTC to City Council and respectfully request that you vacate the BOTC's action.

Best regards,



Duncan Joseph Moore
of LATHAM & WATKINS LLP

cc: Becky Dennison, Venice Community Housing Corporation
Sarah Letts, Hollywood Community Housing Corporation
Laura Rubio-Cornejo, General Manager, Los Angeles Department of Transportation
Jay Kim, Assistant General Manager, Los Angeles Department of Transportation
Ken Husting, Los Angeles Department of Transportation
Michelle Cayton, Los Angeles Department of Transportation
Hydee Feldstein Soto, City Attorney, Los Angeles City Attorney's Office
John Heath, Los Angeles City Attorney's Office
Michael Nagle, Los Angeles City Attorney's Office
Kevin Dufner, Los Angeles City Attorney's Office
Yolanda Chavez, Los Angeles City Attorney's Office
Kevin Keller, Interim Deputy Mayor of Housing, Office of Mayor Karen Bass
Star Parsamyan, Chief of Staff, Council District 11 Councilmember Traci Park
Arsen Voskerchyan, Los Angeles Bureau of Engineering
Tricia Keane, Executive Officer, Los Angeles Housing Department
Eric Claros, Director of Housing, Los Angeles Housing Department
Lisa Webber, Deputy Director of Planning, Los Angeles City Planning
Juliet Oh, Senior City Planner, Los Angeles City Planning
Beth Gordie, Latham & Watkins LLP
Benjamin Hanelin, Latham & Watkins LLP
Lucas uass, Latham & Watkins LLP

Communication from Public

Name:

Date Submitted: 09/30/2025 02:37 PM

Council File No: 15-1138-S42

Comments for Public Posting: Hello, I wish to submit the following document regarding the Venice Dell Community development on Lot 731 (3 of 5): *
Court Denial to Relate Breach of Contract and BOTC Writs

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Stanley Mosk Courthouse, Department 86

25STCV20355

September 30, 2025

**VENICE COMMUNITY HOUSING CORPORATION, A NON-
PROFIT ORGANIZATION, et al. vs CITY OF LOS
ANGELES, et al.**

9:25 AM

Judge: Honorable Curtis A. Kin
Judicial Assistant: Mysty Mort
Courtroom Assistant: None

CSR: None
ERM: None
Deputy Sheriff: None

APPEARANCES:

For Plaintiff(s): No Appearances

For Defendant(s): No Appearances

NATURE OF PROCEEDINGS: Court Order

The Court has reviewed the Notice of Related Case filed on 09/09/2025 and opposition thereon in case number 25STCP00892.

The Court finds that the following cases, 25STCP00892 and 25STCV20355, are not related within the meaning of California Rules of Court, rule 3.300(a).

The cases remain as previously assigned.

Clerk to give notice.

Certificate of Service is attached.

Communication from Public

Name:

Date Submitted: 09/30/2025 02:39 PM

Council File No: 15-1138-S42

Comments for Public Posting: Hello, I wish to submit the following document regarding the Venice Dell Community development on Lot 731 (4 of 5): * \$42 Million in State Multifamily Housing Program (MHP) Funds Awarded

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**DIVISION OF STATE FINANCIAL ASSISTANCE**

651 BANNON STREET, SUITE 400, SACRAMENTO, CA 95811

P. O. BOX 952054, SACRAMENTO, CA 94252-2054

(916) 263-2771

www.hcd.ca.gov

September 5, 2025

Erika Lee, Co-Executive Director
Venice Community Housing Corporation
200 Lincoln Boulevard
Los Angeles, CA 90291

Sarah Letts, Executive Director
Hollywood Community Housing
Corporation 5020 Santa Monica Boulevard
Los Angeles, CA 90029

Dear Sarah Letts and Erika Lee:

**RE: Conditional Award Commitment and Acceptance of Terms and Conditions
Multifamily Finance Super NOFA (MFSN), Round 3, Notice of Funding Availability
(NOFA), Fiscal Year 2024/2025
Venice Community Housing Corporation and Hollywood Community Housing
Corporation – Venice Dell Community
Contract No. 25-MFSN-18652**

The California Department of Housing and Community Development (“**Department**” or “**HCD**”) issued a Multifamily Finance Super NOFA (MFSN), Round #3, Notice of Funding Availability on February 13, 2025. The Department is now pleased to inform you of this conditional award to Venice Community Housing Corporation and Hollywood Community Housing Corporation (“**Awardee**”). This conditional award is a loan in the amount of \$42,455,697 (the “**Conditional Award**”) for the above-referenced project (the “**Project**”) and includes the following:

Program	Award Amount	Contract Number
Multifamily Housing Program (MHP)	\$42,455,697	25-MFSN-18652
Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program	\$0	N/A
Veterans Housing and Homelessness Prevention (VHHP) Program	\$0	N/A
Infill Infrastructure Grant (IIG) Program	\$0	N/A

Multifamily Finance Super NOFA (MFSN) 2025, Round 3, NOFA award is under a media and public announcement embargo until released by the Office of the Governor or otherwise notified by HCD staff. HCD will provide updates on the timing of the public award announcement and provide a social media toolkit and a quote from the HCD Director for use in local media releases. During the embargo period, this conditional award letter may be submitted in an application to California Tax Credit Allocation Committee (TCAC) and California Debt Limit Allocation Committee (CDLAC).

The Conditional Award is based on and subject to the Applicant Representations and the Terms and Conditions of Conditional Award, both as further specified and described in this

notice of the Conditional Award (the “**Conditional Award Commitment**”). This Conditional Award may only be accepted by timely delivery of a fully executed Acceptance of Terms and Conditions of Conditional Award form to the Department (an executed copy of this form is enclosed herein).

I. Applicant Representations – Basis of Conditional Award

In response to the above-mentioned NOFA, the Awardee(s) submitted an application for financing of the Project (that application, and all communications and documentation submitted to the Department in support thereof, the “**Application**”).

The Department is making this Conditional Award to the Awardee(s) on the basis of, and in reliance upon, the representations, warranties, projections, and descriptions that the Awardee(s) submitted as part of the Application (the “**Applicant Representations**”).

The Department may rescind this Conditional Award if the Department discovers, at any time prior to disbursement of the Conditional Award, that the Applicant Representations included material misrepresentations or omissions, regardless of whether or not such misrepresentations or omissions were innocent, unintentional, and/or based upon belief.

II. Terms and Conditions of Conditional Award

TIME IS OF THE ESSENCE IN THE SATISFACTION OF THESE TERMS AND CONDITIONS OF CONDITIONAL AWARD.

The Department may rescind this Conditional Award if any of the terms and conditions enumerated in this Section II (the “**Terms and Conditions of Conditional Award**”) are not timely satisfied. The Terms and Conditions of this Conditional Award and their corresponding timelines are described below.

If the Terms and Conditions of this Conditional Award are timely satisfied, the Department will **(i)** promptly provide a written notification to the Awardee(s) via electronic mail; and **(ii)** circulate an executed copy of an STD 213, Standard Agreement, for all appropriate signatures and approvals in accordance with the timeline specified in Section III of this Conditional Award Commitment.

All timelines shall be calculated in calendar days. Any deadline falling on a weekend or State of California holiday shall be extended to the next business day.

A. Timely Execution of Acceptance of Terms and Conditions of Conditional Award Form

The Awardee(s) shall execute and deliver a copy of the enclosed Acceptance of Terms and Conditions of Conditional Award to the Department within ten (10) calendar days of the date of this Conditional Award Commitment. The Department will deem this condition to be unsatisfied if it receives an executed Acceptance of Terms and Conditions of Conditional Award that has been substantively modified, altered, or amended in any way. The signed Acceptance of Terms and Conditions of Conditional Award form must be submitted to SuperNOFA@hcd.ca.gov.

B. Timely Delivery of Authorization and Organizational Documents

If not provided at the time of application, the Awardee(s) shall deliver to the Department, within sixty (60) calendar days of the date upon this Conditional Award Commitment, a legally sufficient set of Authorization and Organizational Documents, as further described and specified below. Specifically, the Awardee(s) shall deliver a duly adopted authorizing resolution, as well as a complete and duly filed or adopted set of organizational documents and all amendments (the “**Authorization and Organizational Documents**”), for each of the following entities as applicable:

- each Awardee entity; the ultimate borrower of the Conditional Award funds (the “**Borrower**”); and,
- each separate legal entity that is part of the Awardee’s or Borrower’s organizational structure.

Each entity’s resolution must constitute, to the Department’s reasonable satisfaction, an unconditional, duly adopted, and legally binding authorization of the entity to accept the total amount of these Conditional Award funds, to fully participate in the relevant Department program, and to be legally bound by the requirements of the Department program. The Department may agree to an extension of fifteen (15) calendar days based on the Awardee’s demonstration of necessity.

Note: Local Public Entities, as defined in the above-mentioned NOFA and/or Final Program Guidelines, are not required to submit a complete and duly filed or adopted set of organizational documents and amendments. Both the Conditional Award and this Conditional Award Commitment are subject to Health and Safety Code section 50406, subdivision (p), as subsequently amended (“**AB 1010**”).

The Department has posted resolution templates on its website as informational guidance. Please note that use of the resolution templates is not compulsory. However, use of the provided templates will assist in the timely review and approval of the Standard Agreement. While entities may choose to use modified language in

their resolutions, Sponsors should be aware that this may delay preparation of the Standard Agreement or, if deemed insufficient, may result in the need to submit a revised resolution.

At any point prior to disbursement, the Department may also require the Awardee(s) to resubmit Authorization and Organizational Documents if the original submittals were determined to be inaccurate or incomplete.

III. Delivery of Standard Agreement

In an effort to be responsive to each Awardee's closing needs and to ensure timely commitment of funds, the Department commits to delivering an executed copy of the Standard Agreement relative to this Conditional Award within ninety (90) calendar days of receiving all required documents, including all legally sufficient Authorization and Organizational Documents, in connection with this Project and as applicable.

Your contract is assigned to a Single Point of Contact (SPOC), Donna Scott, Housing & Community Development Rep II, MFSN Branch, at (916) 820-1300 or Donna.Scott@hcd.ca.gov, which will serve as your contact for any and all inquiries related to the development and execution of the Standard Agreement. If this project has previously received funding from HCD, this new award will be referred to the same contact as your previous award so as to minimize the points of contact from within HCD. You will receive an email from your SPOC within 48 hours of receipt of your signed Acceptance of Terms and Conditions of Conditional Award.

Among the responsibilities of the SPOC will be to maintain contact throughout the next several months as you work to secure all necessary funding sources to begin construction. Your SPOC will be reaching out to you monthly to inquire on status and progress. In the meantime, should you have any changes to the status or make up of your project we ask that you communicate these changes as soon as possible to your assigned SPOC.

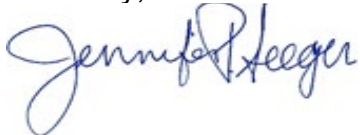
IV. Deadline to Secure Permanent Financing

Please note, that the Awardee must secure all permanent financing, including tax credits and bond allocations, within 24 months of the date of the first Department funding award to the Project, consistent with the Department's Disencumbrance Policy ([Administrative Notice Number 2022-02: Disencumbrance Policy](#)). Sponsors must demonstrate that all permanent financing is in place allowing the project to commence construction. Failure to meet this requirement shall result in the withdrawal or recapture of this Conditional Award and any other prior or subsequent funds awarded to the Project.

Multifamily Finance Super NOFA (MFSN), Round 3, Conditional Award Commitment
Venice Community Housing Corporation and Hollywood Community Housing Corporation –
Venice Dell Community
Contract No. 25-MFSN-18652
September 5, 2025
Page 5

Congratulations on your successful Application. For further information, please contact your
SPOC as outlined in Section III above

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Seeger". The signature is written in a cursive, flowing style.

Jennifer Seeger
Deputy Director
Division of State Financial Assistance

Enclosure: Acceptance of Terms and Conditions of Conditional Award form

California Department of Housing and Community Development

**Multifamily Finance Super NOFA (MFSN), Round 3
Notice of Funding Availability**

Acceptance of Terms and Conditions of Conditional Award

Venice Community Housing Corporation and Hollywood Community Housing Corporation (“**Awardees**”)
Venice Dell Community (“**Project**”)

Multifamily Finance Super NOFA award totaling \$42,455,697 (“**Conditional Award**”), as detailed below:

Program	Award Amount	Contract Number
Multifamily Housing Program (MHP)	\$42,455,697	25-MFSN-18652
Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program	\$0	N/A
Veterans Housing and Homelessness Prevention (VHHP) Program	\$0	N/A
Infill Infrastructure Grant (IIG) Program	\$0	N/A

By signing this Acceptance of Terms and Conditions of Conditional Award, the Awardee acknowledges having read and fully understood the terms and conditions of the Conditional Award Commitment, dated **September 5, 2025**, in connection with the Project.

MFSN, Round 3, NOFA award is under a media and public announcement embargo until released by the Office of the Governor or otherwise notified by HCD staff. HCD will provide updates on the timing of the public award announcement and provide a social media toolkit and a quote from the HCD Director for use in local media releases. During the embargo period, the conditional award letter may be submitted in an application to California Tax Credit Allocation Committee (TCAC) and California Debt Limit Allocation Committee (CDLAC).

In addition, the Awardee acknowledges having read and fully understood all of the Department’s requirements relative to the Conditional Award, including the requirements set forth in Administrative Notice Number 2022-22: Disencumbrance Policy, and the Awardee agrees to abide by and comply with those requirements.

In addition, the Awardee acknowledges that it has reviewed and verified the accuracy of the project report prepared by the Department on September 19, 2025 for the Project.



Sarah Letts, Executive Director
Hollywood Community Housing Corporation

9/8/25

Date



Erika Lee, Co-Executive Director
Venice Community Housing Corporation

9/8/25

Date

**** For HCD Use Only ****

- Authorized Representatives Verified
- All Parties Signed

Date Received: _____

Communication from Public

Name:

Date Submitted: 09/30/2025 02:40 PM

Council File No: 15-1138-S42

Comments for Public Posting: Hello, I wish to submit the following document regarding the Venice Dell Community development on Lot 731 (5 of 5): * \$3 Million in LA County Funds Awarded



August 14, 2025

VIA E-MAIL

Eleanor Atkins
Hollywood Community Housing Corporation
5020 Santa Monica Boulevard
Los Angeles, CA 90029

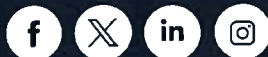
Dear Ms. Atkins:

**NOFA ROUND 31
FUNDING RECOMMENDATION – VENICE DELL COMMUNITY**

The Los Angeles County Development Authority (LACDA) has reviewed your Notice of Funding Availability (NOFA) Round 31 application. After consideration of the scoring, evaluation, and comments made by consultants who performed the development feasibility, design, and supportive services reviews, the LACDA is pleased to recommend Venice Dell Community, a 4% tax credit project, for an award of up to \$3,000,000 in Affordable Housing Trust Funds (AHTF) funds.

Please be aware that this recommended allocation represents a maximum amount and is subject to modification if the LACDA determines, in its sole discretion, that the full amount of the award is not necessary to achieve financial feasibility. The loan is conditioned upon your organization meeting all requirements, due diligence documentation, underwriting standards, and addressing any project deficiencies identified in the technical scoring and evaluation phase related to development feasibility, design, and supportive services.

The LACDA will next be making a funding recommendation to the Board of Commissioners of the LACDA, whose approval is required before a funding commitment is final. Only upon the Board's approval may the LACDA issue a commitment of funds. Additionally, only after approval by the Board of Commissioners of the LACDA may your organization apply for tax credit financing. All sponsors must coordinate expected tax credit applications with the LACDA before making applications to the California Tax Credit Allocation Committee and/or California Debt Limit Allocating Committee to confirm project timing and expected funding availability. This LACDA approval will ensure that projects can meet any tax credit readiness deadlines. Contact Ms. Beatriz Lopez at Beatriz.Lopez@lacda.org for information on project timing, funding availability, and timing for an application for tax credits.



lacda.org

Administrative Office
700 West Main Street, Alhambra, CA 91801
Tel: (626) 262-4511 TDD: (626) 943-3898



Executive Director: Emilio Salas

Commissioners: Hilda L. Solis, Holly J. Mitchell, Lindsey P. Horvath, Janice Hahn, Kathryn Barger

As noted in the NOFA, sponsors must demonstrate that the project can successfully close construction financing within one year from notice of award of funds or use NOFA funds to leverage another source of financing within six months of notice of award. Construction financing close must then occur within one year of this subsequent application.

The project information below was provided in the NOFA 31 application. Review the information below and confirm that this information is accurate and in line with materials submitted in the NOFA 31 application. Please note any inaccurate information in the comment box below. This information will be used for future documents; therefore, accuracy is important.

Unit Breakdown

Population	No. of Units
<i>Special Needs</i>	
Homeless Households	68
<i>General Affordable</i>	
General Affordable - Family	49
Manager's	3
Total Units	120

Unit Size	No. of Units	PBV Type	No. of Vouchers
Studio	77		
1 - Bedroom	26	PBV	
2 - Bedroom	16		
3-Bedroom	1		
Total Units	120	Total PBVs	0

An acknowledgement of reservation of funds is enclosed with this letter. Complete and return the acknowledgement to affirm the need for funds for the project, confirm the information, and acknowledge the timeline regarding use of the funds. If any information is inaccurate, please provide updated information with your acknowledgement form.

If you have any questions, please contact Beatriz Lopez, Management Analyst, at Beatriz.Lopez@lacda.org, or (626) 586-1931, or Matthew Lust, Assistant Director, Housing Development and Preservation Division, at Matthew.Lust@lacda.org, or (626) 586-1809.

Sincerely,



LYNN KATANO, Director
 Housing Development and Preservation Division

LK:ML:bl
 Enclosure

ACKNOWLEDGEMENT OF RESERVATION OF FUNDS
HOLLYWOOD COMMUNITY HOUSING CORPORATION
VENICE DELL COMMUNITY

I acknowledge that I have read and understood the terms of the Funding Recommendation and plan to accept an award of funds, if approved by the LACDA's Board of Commissioners.

Sarah Letts
Printed Name

Sarah Letts
Signature

Executive Director
Title Hollywood Community Housing

Aug 21, 2025
Date

Comments:

for PBUs, HACLA award letter references
Forty-two (42) 0-bedroom units
Fifteen (15) 1-bedroom units
Eleven (11) 2-bedroom units

Please return by e-mail to:
Beatriz Lopez, Analyst
Beatriz.Lopez@lacda.org

Communication from Public

Name: Peggy Lee Kennedy
Date Submitted: 09/30/2025 01:52 PM
Council File No: 15-1138-S42
Comments for Public Posting: Please post the attached public comment on Council File 15-1138-S42

This is Councilmember Traci Park's latest version of blocking the Venice Dell project by feigning support for an "alternative" site. The motion frames Lot 701 as a substitute for Lot 731, but Venice Dell is already fully approved, funded, and on track to deliver 120 affordable homes.

Before any discussion of alternative sites, used as a tactic to stall currently approved low-income housing in Venice, the City must make clear that it stands behind Venice Dell and will not bow to maneuvers designed to derail it.

The City Council has approved Venice Dell on Lot 731 multiple times. The project has secured nearly \$45 million in County and State funding in the past two months, is under contract with developers, and includes a Project Labor Agreement to create hundreds of good jobs.

The community desperately needs these homes, and delaying or undoing them has come at enormous cost.

The Board of Transportation Commissioners does not have authority to overturn past Council votes. Breaching the City's agreements would waste millions in general funds, worsen the budget crisis, and expose the City to ongoing lawsuits. Undoing approvals for Venice Dell would also violate fair housing laws and the Housing Accountability Act.

If the City wishes to explore Lot 701 for additional affordable housing and transit amenities, that should be welcomed, but only as more housing, not as a red herring to supplant Venice Dell.

I urge LACity to ensure that any report back makes clear:

- Venice Dell on Lot 731 remains fully approved and funded.
- The City is legally and financially obligated to move forward.
- Lot 701 can only be explored as additional housing, not a substitute.

Los Angeles is in a dire budget and housing crisis. We cannot afford to change course on Venice Dell, which is ready to break ground, while families across the city wait for affordable homes.

Peggy Lee Kennedy

Venice Justice Committee

Communication from Public

Name: Janet

Date Submitted: 09/30/2025 04:22 PM

Council File No: 15-1138-S42

Comments for Public Posting: We have been following this project since its inception and believe this is yet another ploy to derail or, at minimum, delay critical housing for the unhoused - housing that has already been fully approved and funded. We urge this committee to ensure that any report back makes clear: -Venice Dell on Lot 731 remains fully approved and funded. -The City is legally and financially obligated to move forward. -Lot 701 can only be explored as additional housing, not a substitute. Los Angeles is in a dire budget and housing crisis. We cannot afford to change course on Venice Dell, which is ready to break ground, while families across the city wait for affordable homes.