

Communication from Public

Name: Marie Kennedy
Date Submitted: 10/05/2025 10:38 AM
Council File No: 15-1138-S42
Comments for Public Posting: Venice-Dell development has been approved numerous times, has weathered every lawsuit against it and now the State of California has just issued a blistering letter of inquiry to the City of Los Angeles over its obstruction of Venice Dell (see attachment). Tracy Park has misrepresented that the Housing & Homelessness Committee had “unanimously approved” her plan to repurpose Lot 701 and convert Lot 731 into a mobility hub. What actually passed was only a feasibility study, not approval of any ‘plan.’

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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October 3, 2025

Tiena Johnson Hall, General Manager
Los Angeles Housing Department
City of Los Angeles
1910 Sunset Boulevard, Suite 300
Los Angeles, CA 90026

Dear Tiena Johnson Hall:

RE: City of Los Angeles – Venice Dell Project – Letter of Inquiry

The California Department of Housing and Community Development (HCD) submits this Letter of Inquiry (LOI) to the City of Los Angeles (City) concerning actions taken to significantly delay and effectively deny a City-approved permanent supportive housing project known as Venice Dell (Project). Such actions conflict with the City's adopted 2021-2029 Housing Element and its obligation to affirmatively further fair housing (AFFH).

On September 22, 2025, HCD awarded the Project \$42,455,697 from the state's Multifamily Housing Program. This competitive funding award will provide a much-needed low-interest, long-term deferred-payment loan to enable the Project's construction. With significant funding secured, the Project's success depends solely on the City's willingness to allow the Project to proceed.

HCD requests that the City review this correspondence and provide a written response to the inquiries listed below within 30 days, no later than November 2, 2025. HCD will consider the City's written response before taking further action, such as issuing a Corrective Action Letter regarding the City's housing element and initiating a review of the City's Prohousing Designation status.

Background and Timeline

In 2016, the City issued a request for proposals (RFP) to develop affordable housing on a City-owned parking lot (Lot No. 731) located at 200 North Venice Boulevard. The location is a higher resource area, near transit, and surrounded by residential and commercial uses. The City ultimately selected Venice Community Housing and Hollywood Community Housing (Applicants) as developers for the Project. The City's Planning Commission recommended approval on July 21, 2021.¹

¹ Letter of Determination, Los Angeles City Planning Commission, July 13, 2021,

On December 1, 2021, the City Council approved Project entitlements, including a rezone, and on June 15, 2022, it voted to authorize the Los Angeles Housing Department (LAHD) to execute a Development and Disposition Agreement (DDA) with the Applicants.²

On February 13, 2024, HCD issued an LOI to the City concerning delays in further processing the Project.³ The LOI also served to remind the City of its housing element commitments. On March 13, 2024, City staff responded, listing various factors contributing to the delay, including, but not limited to, revisions requested of the Project's design.

On November 18, 2024, HCD found the housing element in substantial compliance with Housing Element Law.⁴ In its findings letter, HCD advised the City to implement programs in the City's housing element to maintain compliance, noting that certain changes, including adding potential constraints or altering programmatic commitments, could constitute an amendment triggering HCD review.

By November 25, 2024, the California Coastal Commission's (CCC) staff report identified the newly revised Project as a mixed-use development consisting of 120 units, including 68 permanent supportive housing units, 49 low-income units, and 3 manager units.⁵ The Project also includes the construction of a Los Angeles Department of Transportation (LADOT) on-site parking garage that will provide replacement parking spaces for the public. On December 6, 2024, HCD submitted a Letter of Support (LOS) for the Project to the CCC, emphasizing the City's affordable housing shortage and housing element commitments.⁶ The CCC approved the Project with modifications on December 11, 2024 (CCC Hearing).

On December 10, 2024, the City's Board of Transportation Commissioners (BOTC) held a special hearing about the Project, recommending LAHD evaluate the feasibility of relocating the Project from the 2.65-acre Lot No. 731 to a completely different property, Lot No. 701.⁷ This additional hearing took place just prior to the CCC Hearing,

<https://planning.lacity.gov/pdiscaseinfo/document/OTI3Mw0/1823a02c-5d95-4003-95c4-258347c32f18/pdd>.

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approximately eight years after the City released an RFP to develop the site and over two years after the City authorized the DDA.

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Analysis

1. Housing Element Law

Through Housing Element Law, the Legislature established that "the availability of housing is of vital statewide importance" and "[l]ocal and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community."⁸ The City contributes to this effort by adopting and implementing a compliant housing element that includes, among other things, policies and programs, actions to AFFH, and a sites inventory identifying where additional housing is expected.

Housing Element Policies and Programs

Relevant policies in the City's housing element to facilitate the Project include:

- 1.2.5: Streamline the housing approval process, particularly for Affordable Housing, throughout City departments.
- 1.2.7: Develop and facilitate the dedication of financial resources for new construction of Affordable Housing.
- 1.2.10: Prioritize the development of Affordable Housing on public land.
- 1.3.1: Prioritize housing capacity, resources, policies and incentives to include Affordable Housing in residential development, particularly near transit, jobs, and in Higher Opportunity Areas.

⁸ Gov. Code, § 65580, subs. (a), (d).

5.1.3: Expand permanent supportive housing options with services for homeless persons, particularly chronically homeless individuals and the most vulnerable, to ensure that they remain housed and get the individualized help they may need.

Many of the actions or inactions noted in the timeline above, however, impede the Project. These actions and inactions are inconsistent with these policies.

In addition, in accordance with Housing Element Law, adopted programs “[set] forth a schedule of actions during the planning period, each with a timeline for implementation.”⁹

Housing Element Program #15, for example, commits to increasing the utilization of public land for affordable housing with particular emphasis on high resource and gentrifying areas. This program’s objective states:

Increase the utilization of public land for affordable housing with particular emphasis in high resource and gentrifying areas; Identify publicly owned housing opportunity sites and issue RFPs to develop the sites by 2023; and annually thereafter; ...Revise the Asset Management Evaluation Framework to add AFFH criteria into the property review and evaluation process.

As a lead agency to Program 15, the City Administrative Officer (CAO) and the City Council are primarily responsible for ensuring that AFFH criteria are added to the review and evaluation process. This framework is used to analyze City-owned, and other publicly and privately owned, property for permanent and interim housing, homeless facilities, economic development, and other uses. The recommendation also included the replacement of the Property Review and Evaluation Process with the Asset Evaluation Framework (AEF) Flow Chart.¹⁰ However, on April 12, 2024, the CAO recommended for approval the revised AEF **without** AFFH criteria.

Instead of adding AFFH to the revised AEF criteria, as promised in Program 15, the April 12, 2024 CAO report noted that “[t]he CAO has also added the review and approval from the Board of Transportation Commission (BOTC), as provided by Administrative Code Section 22.484(g)(A)(7), for LADOT parking lots before the site is considered by Council and Mayor.” Moreover, projects may be eliminated due to “zoning considerations,” as appears to be the case with a residential-zoned property located at 6621 Manchester Avenue and 6614 West 85th Place, also in a high resource area. In other words, the City opted to add an additional layer of review by BOTC and added zoning considerations but did not take the opportunity to add AFFH to the criteria.

The Project is in a higher resource area, near transit, markets, and open space, thereby providing access to needed resources and amenities associated with positive economic, educational, and health outcomes for low-income families.

⁹ Gov. Code, § 65583, subd. (b).

¹⁰ See https://clkreplacity.org/onlinedocs/2012/12-1549-S3_rpt_CAO_4-12-24.pdf.

Ignoring AFFH considerations in evaluating potential sites, while considering zoning as a factor to exclude a potential property from consideration, demonstrates a concerning pattern that the City is inconsistent with housing element policies 1.2.5 and 1.2.10. and the stated objectives of Program 15 to AFFH. This recent shift in policy direction not only impacts the Project's development timeline but is likely to impact future affordable housing projects in higher resource areas.

The City's housing element acknowledges the constraint zoning has placed on the development of affordable housing as follows:

Zoning capacity and its inequitable distribution throughout the City has limited the production of affordable housing in higher resource areas and instead concentrated its production in the areas with the lowest resources (see Map 2.1). Existing land use and zoning, combined with high land values, have resulted in conditions that make it infeasible to develop affordable housing in many areas of the City which have the highest incomes, resources, amenities, and access to economic opportunity.

Despite the Project having obtained zoning approval through the City Council, a DDA, and approval by the CCC, the City scheduled an additional hearing with the BOTC to consider another site for the Project. This defies standard operating procedures and what the City committed to in the housing element.

Housing Element Program #6, "New Production of Affordable Housing through the Affordable Housing Managed Pipeline," has the following objective:

Prepare annual NOFA biannually, 500 units produced per year, with priority scoring for projects in Higher Opportunity Areas with the goal of funding at least 8% of units in Higher Opportunity Areas and at least 80% of units near transit. Achieving a higher percentage goal depends on federal and state funding regulations. Set-aside of 250 units of supportive housing.

Although the Project is in a "higher opportunity area" and near transit, it no longer appears on the City's list to extend financing commitments.¹¹ As noted in the timeline, it is HCD's understanding that the City's Housing and Homeless Committee (HHC) acknowledged this confusion at the April 9, 2025, hearing by recommending LAHD report to the City Council in 30 days on the selection criteria used to determine eligibility of projects and extensions to the AHMP Program. The HHC also recommended LAHD report to the Council on how information is communicated to prospective AHMP applicants about the process. It is unclear whether LAHD has taken such action, nor is it clear why the Project was left off the AHMP list in the first place. What is clear is the need to improve communication between the City and project applicants in addition to taking actions consistent with the housing element.

¹¹ See Report from City Administrative Officer, 04/03/2025, Council File: 22-0876-S4.

Constraints Analysis

Government Code section 65583 requires cities to analyze governmental constraints that hinder the locality from meeting its housing needs, including supportive housing, and sets forth a program of actions that protect and promote such housing. Through the housing element, cities must “remove governmental constraints that hinder...meeting the need for housing for persons with disabilities,” which requires “remov[ing] constraints to, and provid[ing] reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.”¹²

Creating new constraints by requiring additional hearings or analysis to prevent an entitled project from moving forward runs counter to taking meaningful actions to address the City’s housing needs, especially for persons with disabilities.

Sites Inventory

As the City is aware, every jurisdiction’s housing element requires an inventory of adequate sites with sufficient capacity to accommodate its regional housing needs by income category.¹³ Projects that have been approved, permitted, or received a certificate of occupancy since the beginning of the Regional Housing Needs Allocation (RHNA) projection period may be credited toward meeting the RHNA allocation based on the affordability and unit count of the development.¹⁴ The housing element describes such “pipeline projects” this way:

All included development projects are expected to be completed within the 6th cycle, as they represent projects which have a defined development program, a commitment of public funds and/or land, a selected developer and development agreement, and/or have received necessary approval from the appropriate oversight board or council to move forward for development.

The City’s housing element identifies the Project in Appendix 4.2 “Pipeline Development Projects on Public Land,” under “City-Owned and Leased Sites – Affordable & Supportive Housing,” along with 33 other sites. Of the 34 city-owned or leased sites identified in the City’s Housing Element, only six are in high resource areas, including the Project. Of those six projects, two have stalled since 2023, including Venice Dell.

Because the Project is a “pipeline project,” the City already received credit toward its RHNA based on the Project’s affordability and unit count. This credit lowered the City’s need and therefore did not require the site-specific analysis typically required in the sites inventory. Furthermore, the Project’s inclusion communicates the City’s commitment to see the Project successfully developed within the planning period.

¹³ Gov. Code, § 65583, subd. (a)(3).

¹⁴ Gov. Code, § 65583.1, subd. (d).

Inquiries

Based on the background and analysis above, HCD requests the following information:

1. The role of the City's BOTC in the Project and an explanation for why the BOTC held a hearing after the Project was approved.
2. How the City plans to ensure the Project, or an equivalent project, is developed within the 6th cycle planning period.
3. The City's plan and timeline to take the CCC's modifications back to the City Council.
4. An explanation for why the City hasn't added AFFH to its asset evaluation framework and when does it plan to do so.
5. An explanation as to how the City is using zoning as a consideration to eliminate potential development on public land sites.
6. An explanation for why the Project was excluded from the Affordable Housing Managed Pipeline extension list.
7. A description of the City's selection criteria for extensions to the Affordable Housing Management Pipeline program.
8. Whether and how the City is meeting the stated objectives in Program #6 of its housing element for funding 8 percent of units in higher opportunity areas.

2. Prohousing Designation Status

The City received a Prohousing Designation on April 4, 2023, based in part on points for, among other things, "demonstrating other zoning and land use actions that measurably support the acceleration of housing production." In addition, in HCD's announcement letter, HCD reminded the City that AFFH is state law and a threshold requirement for receiving and maintaining Prohousing Designation.

While HCD appreciates the City's efforts to achieve a Prohousing Designation and maintain Prohousing Policies, HCD must regularly monitor Prohousing Designations and, if appropriate, revoke a Prohousing Designation upon determining that, among other things, a jurisdiction "has failed to meet its obligations to Affirmatively Further Fair Housing"¹⁵ or "to comply with state housing law, including, but not limited to, any of the laws specified in Section 6604" of the California Code of Regulations.¹⁶ This includes Housing Element Law.

¹⁵ CCR Title 25, § 6607, subd. (a)(1)(D).

¹⁶ CCR Title 25, § 6607, subd. (a)(1)(E).

Conclusion

On June 29, 2022, HCD found the housing element in compliance with Housing Element Law (Gov. Code, § 65580 et seq). This finding was based on, among other things, actions to AFFH. On November 18, 2024, HCD advised the City to implement programs as committed to in its housing element to maintain compliance. Should the City decide to further delay and effectively deny a “pipeline” supportive housing project, the City may be acting in a manner that is inconsistent with adopted housing element policies and program commitments. Moreover, the City’s actions jeopardize more than \$42 million in state funding that has already been awarded to the Project.

HCD will review and consider the City’s written response before taking any action, including issuance of a Corrective Action Letter regarding the City’s housing element and initiating a review of the City’s Prohousing Designation status.

Please provide a written response to the inquiries listed in this letter by November 3, 2025. If you have questions or would like to discuss this matter, please contact Lisa Krause at lisa.krause@hcd.ca.gov.

Sincerely,



Melinda Coy
Housing Accountability Unit Chief

cc: Councilmember Traci Park
Councilmember Nithya Raman, Chair of the Housing and Homelessness
Committee
Hydee Feldstein Soto, City Attorney
Craig Arceneaux, Assistant General Manager, Los Angeles Housing Department
Elizabeth Selby, Director of Development and Finance, Los Angeles Housing
Department
Eric Claros, Director of Housing, Los Angeles Housing Department
Yolanda Chavez, Assistant City Administrative Officer, City Administrative Office
Yaneli Ruiz, Director of Housing Innovation Strategies, Los Angeles Housing
Department

Communication from Public

Name: Will Wright

Date Submitted: 10/06/2025 04:57 PM

Council File No: 15-1138-S42

Comments for Public Posting: October 6, 2025 The Honorable Members of the Los Angeles City Council City JOHN FERRARO COUNCIL CHAMBER ROOM 340, CITY HALL 200 NORTH SPRING STREET, LOS ANGELES, CA 90012 RE: Letter of Support for the Venice Dell Project (LADOT Lot 731) and Urgent Request for Action // Council File: 15-1138-S42 & Council File 15-1138-S9 Dear Honorable Members of the Los Angeles City Council, As the Director of Government and Public Affairs for the Los Angeles Chapter of the American Institute of Architects (AIA|LA), I am writing to express enthusiastic support for the Venice Dell permanent supportive housing project. This is a landmark opportunity for the City to fulfill its promise to our most vulnerable residents and demonstrate its leadership in tackling the housing crisis. We urge you to seize this moment and move this vital project forward without delay. The Venice Dell project (designed for LADOT lot 731 at the request of the City of Los Angeles) represents a win-win for Los Angeles. After nearly a decade of collaborative planning and public investment, this shovel-ready development will provide 120 beautiful, permanent homes in a high-resource coastal community. It is a model for the future, creating hundreds of union jobs through a Project Labor Agreement and, according to official plans, even increasing the public parking supply for the neighborhood and its visitors. We recognize the interest in exploring the potential of other sites, such as LADOT Lot 701, for community amenities like a mobility hub or even more affordable housing. We fully support maximizing the use of public land. However, these future possibilities should build upon our current success, not derail it. Lot 701 can be the next great project for Venice, but it cannot come at the cost of the one that is already approved, funded, and legally binding. Venice Dell has successfully navigated every step of the City's rigorous process. It was selected through an RFP in 2016, approved by the Planning Commission and this Council in 2021, and has a fully executed Disposition and Development Agreement (DDA). With a crucial \$42.4 million in state funding secured and approvals from the California Coastal Commission, this project is a testament to what is possible when the City, State, and community partners work together. As the attached October 3, 2025 letter from the California Department of Housing and

Community Development (HCD) makes clear, moving forward is not just the right thing to do—it is the City’s legal and financial obligation. Proceeding with Venice Dell is the most viable, cost-effective, and responsible path forward. It honors the City's commitments, avoids millions in potential damages and legal fees, protects our Prohousing Designation, and secures \$42.4 million in state investment for our community. The time for deliberation is past. The plans are approved, the funding is secured, and the need is undeniable. Let’s celebrate this achievement and get it built.

AIA Los Angeles urges the City Council to reaffirm its support for this vital project and direct all departments to move full speed ahead with the legally binding approvals for Venice Dell at LADOT Lot 731. Thank you for your leadership on this vital

issue. Truly yours, Will Wright, Hon. AIA|LA Director,
Government & Public Affairs cc: • Mayor Karen Bass • Hydee

Feldstein Soto, City Attorney • Councilmember Traci Park,
Council District 11 • Councilmember Nithya Raman, Chair,

Housing and Homelessness Committee • Tiena Johnson Hall,
General Manager, Los Angeles Housing Department • Melinda

Coy, Housing Accountability Unit Chief, HCD

*ATTACHMENT: October 3, 2025 letter from California's
Department of Housing and Community Development Housing
Accountability Unit Chief, Melinda Coy.

October 6, 2025

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JOHN FERRARO COUNCIL CHAMBER
ROOM 340, CITY HALL
200 NORTH SPRING STREET, LOS ANGELES, CA 90012

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Thank you for your leadership on this vital issue.

Truly yours,

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Will Wright, Hon. AIALA
Director, Government & Public Affairs

cc:

- Mayor Karen Bass
- Hydee Feldstein Soto, City Attorney
- Councilmember Traci Park, Council District 11
- Councilmember Nithya Raman, Chair, Housing and Homelessness Committee
- Tiena Johnson Hall, General Manager, Los Angeles Housing Department
- Melinda Coy, Housing Accountability Unit Chief, HCD

*ATTACHMENT: October 3, 2025 letter from California's Department of Housing and Community Development Housing Accountability Unit Chief, Melinda Coy.

Communication from Public

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**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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Analysis

1. Housing Element Law

Through Housing Element Law, the Legislature established that "the availability of housing is of vital statewide importance" and "[l]ocal and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community."⁸ The City contributes to this effort by adopting and implementing a compliant housing element that includes, among other things, policies and programs, actions to AFFH, and a sites inventory identifying where additional housing is expected.

Housing Element Policies and Programs

Relevant policies in the City's housing element to facilitate the Project include:

- 1.2.5: Streamline the housing approval process, particularly for Affordable Housing, throughout City departments.
- 1.2.7: Develop and facilitate the dedication of financial resources for new construction of Affordable Housing.
- 1.2.10: Prioritize the development of Affordable Housing on public land.
- 1.3.1: Prioritize housing capacity, resources, policies and incentives to include Affordable Housing in residential development, particularly near transit, jobs, and in Higher Opportunity Areas.

⁸ Gov. Code, § 65580, subs. (a), (d).

5.1.3: Expand permanent supportive housing options with services for homeless persons, particularly chronically homeless individuals and the most vulnerable, to ensure that they remain housed and get the individualized help they may need.

Many of the actions or inactions noted in the timeline above, however, impede the Project. These actions and inactions are inconsistent with these policies.

In addition, in accordance with Housing Element Law, adopted programs “[set] forth a schedule of actions during the planning period, each with a timeline for implementation.”⁹

Housing Element Program #15, for example, commits to increasing the utilization of public land for affordable housing with particular emphasis on high resource and gentrifying areas. This program’s objective states:

Increase the utilization of public land for affordable housing with particular emphasis in high resource and gentrifying areas; Identify publicly owned housing opportunity sites and issue RFPs to develop the sites by 2023; and annually thereafter; ...Revise the Asset Management Evaluation Framework to add AFFH criteria into the property review and evaluation process.

As a lead agency to Program 15, the City Administrative Officer (CAO) and the City Council are primarily responsible for ensuring that AFFH criteria are added to the review and evaluation process. This framework is used to analyze City-owned, and other publicly and privately owned, property for permanent and interim housing, homeless facilities, economic development, and other uses. The recommendation also included the replacement of the Property Review and Evaluation Process with the Asset Evaluation Framework (AEF) Flow Chart.¹⁰ However, on April 12, 2024, the CAO recommended for approval the revised AEF **without** AFFH criteria.

Instead of adding AFFH to the revised AEF criteria, as promised in Program 15, the April 12, 2024 CAO report noted that “[t]he CAO has also added the review and approval from the Board of Transportation Commission (BOTC), as provided by Administrative Code Section 22.484(g)(A)(7), for LADOT parking lots before the site is considered by Council and Mayor.” Moreover, projects may be eliminated due to “zoning considerations,” as appears to be the case with a residential-zoned property located at 6621 Manchester Avenue and 6614 West 85th Place, also in a high resource area. In other words, the City opted to add an additional layer of review by BOTC and added zoning considerations but did not take the opportunity to add AFFH to the criteria.

The Project is in a higher resource area, near transit, markets, and open space, thereby providing access to needed resources and amenities associated with positive economic, educational, and health outcomes for low-income families.

⁹ Gov. Code, § 65583, subd. (b).

¹⁰ See https://clkreplacity.org/onlinedocs/2012/12-1549-S3_rpt_CAO_4-12-24.pdf.

Ignoring AFFH considerations in evaluating potential sites, while considering zoning as a factor to exclude a potential property from consideration, demonstrates a concerning pattern that the City is inconsistent with housing element policies 1.2.5 and 1.2.10. and the stated objectives of Program 15 to AFFH. This recent shift in policy direction not only impacts the Project's development timeline but is likely to impact future affordable housing projects in higher resource areas.

The City's housing element acknowledges the constraint zoning has placed on the development of affordable housing as follows:

Zoning capacity and its inequitable distribution throughout the City has limited the production of affordable housing in higher resource areas and instead concentrated its production in the areas with the lowest resources (see Map 2.1). Existing land use and zoning, combined with high land values, have resulted in conditions that make it infeasible to develop affordable housing in many areas of the City which have the highest incomes, resources, amenities, and access to economic opportunity.

Despite the Project having obtained zoning approval through the City Council, a DDA, and approval by the CCC, the City scheduled an additional hearing with the BOTC to consider another site for the Project. This defies standard operating procedures and what the City committed to in the housing element.

Housing Element Program #6, "New Production of Affordable Housing through the Affordable Housing Managed Pipeline," has the following objective:

Prepare annual NOFA biannually, 500 units produced per year, with priority scoring for projects in Higher Opportunity Areas with the goal of funding at least 8% of units in Higher Opportunity Areas and at least 80% of units near transit. Achieving a higher percentage goal depends on federal and state funding regulations. Set-aside of 250 units of supportive housing.

Although the Project is in a "higher opportunity area" and near transit, it no longer appears on the City's list to extend financing commitments.¹¹ As noted in the timeline, it is HCD's understanding that the City's Housing and Homeless Committee (HHC) acknowledged this confusion at the April 9, 2025, hearing by recommending LAHD report to the City Council in 30 days on the selection criteria used to determine eligibility of projects and extensions to the AHMP Program. The HHC also recommended LAHD report to the Council on how information is communicated to prospective AHMP applicants about the process. It is unclear whether LAHD has taken such action, nor is it clear why the Project was left off the AHMP list in the first place. What is clear is the need to improve communication between the City and project applicants in addition to taking actions consistent with the housing element.

¹¹ See Report from City Administrative Officer, 04/03/2025, Council File: 22-0876-S4.

Constraints Analysis

Government Code section 65583 requires cities to analyze governmental constraints that hinder the locality from meeting its housing needs, including supportive housing, and sets forth a program of actions that protect and promote such housing. Through the housing element, cities must “remove governmental constraints that hinder...meeting the need for housing for persons with disabilities,” which requires “remov[ing] constraints to, and provid[ing] reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.”¹²

Creating new constraints by requiring additional hearings or analysis to prevent an entitled project from moving forward runs counter to taking meaningful actions to address the City’s housing needs, especially for persons with disabilities.

Sites Inventory

As the City is aware, every jurisdiction’s housing element requires an inventory of adequate sites with sufficient capacity to accommodate its regional housing needs by income category.¹³ Projects that have been approved, permitted, or received a certificate of occupancy since the beginning of the Regional Housing Needs Allocation (RHNA) projection period may be credited toward meeting the RHNA allocation based on the affordability and unit count of the development.¹⁴ The housing element describes such “pipeline projects” this way:

All included development projects are expected to be completed within the 6th cycle, as they represent projects which have a defined development program, a commitment of public funds and/or land, a selected developer and development agreement, and/or have received necessary approval from the appropriate oversight board or council to move forward for development.

The City’s housing element identifies the Project in Appendix 4.2 “Pipeline Development Projects on Public Land,” under “City-Owned and Leased Sites – Affordable & Supportive Housing,” along with 33 other sites. Of the 34 city-owned or leased sites identified in the City’s Housing Element, only six are in high resource areas, including the Project. Of those six projects, two have stalled since 2023, including Venice Dell.

Because the Project is a “pipeline project,” the City already received credit toward its RHNA based on the Project’s affordability and unit count. This credit lowered the City’s need and therefore did not require the site-specific analysis typically required in the sites inventory. Furthermore, the Project’s inclusion communicates the City’s commitment to see the Project successfully developed within the planning period.

¹³ Gov. Code, § 65583, subd. (a)(3).

¹⁴ Gov. Code, § 65583.1, subd. (d).

Inquiries

Based on the background and analysis above, HCD requests the following information:

1. The role of the City's BOTC in the Project and an explanation for why the BOTC held a hearing after the Project was approved.
2. How the City plans to ensure the Project, or an equivalent project, is developed within the 6th cycle planning period.
3. The City's plan and timeline to take the CCC's modifications back to the City Council.
4. An explanation for why the City hasn't added AFFH to its asset evaluation framework and when does it plan to do so.
5. An explanation as to how the City is using zoning as a consideration to eliminate potential development on public land sites.
6. An explanation for why the Project was excluded from the Affordable Housing Managed Pipeline extension list.
7. A description of the City's selection criteria for extensions to the Affordable Housing Management Pipeline program.
8. Whether and how the City is meeting the stated objectives in Program #6 of its housing element for funding 8 percent of units in higher opportunity areas.

2. Prohousing Designation Status

The City received a Prohousing Designation on April 4, 2023, based in part on points for, among other things, "demonstrating other zoning and land use actions that measurably support the acceleration of housing production." In addition, in HCD's announcement letter, HCD reminded the City that AFFH is state law and a threshold requirement for receiving and maintaining Prohousing Designation.

While HCD appreciates the City's efforts to achieve a Prohousing Designation and maintain Prohousing Policies, HCD must regularly monitor Prohousing Designations and, if appropriate, revoke a Prohousing Designation upon determining that, among other things, a jurisdiction "has failed to meet its obligations to Affirmatively Further Fair Housing"¹⁵ or "to comply with state housing law, including, but not limited to, any of the laws specified in Section 6604" of the California Code of Regulations.¹⁶ This includes Housing Element Law.

¹⁵ CCR Title 25, § 6607, subd. (a)(1)(D).

¹⁶ CCR Title 25, § 6607, subd. (a)(1)(E).

Conclusion

On June 29, 2022, HCD found the housing element in compliance with Housing Element Law (Gov. Code, § 65580 et seq). This finding was based on, among other things, actions to AFFH. On November 18, 2024, HCD advised the City to implement programs as committed to in its housing element to maintain compliance. Should the City decide to further delay and effectively deny a “pipeline” supportive housing project, the City may be acting in a manner that is inconsistent with adopted housing element policies and program commitments. Moreover, the City’s actions jeopardize more than \$42 million in state funding that has already been awarded to the Project.

HCD will review and consider the City’s written response before taking any action, including issuance of a Corrective Action Letter regarding the City’s housing element and initiating a review of the City’s Prohousing Designation status.

Please provide a written response to the inquiries listed in this letter by November 3, 2025. If you have questions or would like to discuss this matter, please contact Lisa Krause at lisa.krause@hcd.ca.gov.

Sincerely,



Melinda Coy
Housing Accountability Unit Chief

cc: Councilmember Traci Park
Councilmember Nithya Raman, Chair of the Housing and Homelessness
Committee
Hydee Feldstein Soto, City Attorney
Craig Arceneaux, Assistant General Manager, Los Angeles Housing Department
Elizabeth Selby, Director of Development and Finance, Los Angeles Housing
Department
Eric Claros, Director of Housing, Los Angeles Housing Department
Yolanda Chavez, Assistant City Administrative Officer, City Administrative Office
Yaneli Ruiz, Director of Housing Innovation Strategies, Los Angeles Housing
Department

Communication from Public

Name: Carie Martin

Date Submitted: 10/06/2025 11:25 PM

Council File No: 15-1138-S42

Comments for Public Posting: Please see the attached Letter from counsel for Plaintiffs LA Forward Institute, Sylvia Aroth, Professor Gary Williams, and Kathleen Coates in the pending lawsuit LA Forward, et al. v. City of Los Angeles, et al. (Super. Ct., Los Angeles County, Case No. 24STCV17156) correcting the record and raising serious concerns related to Item 24, including the October 3, 2025, Letter of Inquiry from the California Department of Housing and Community Development alledging actions taken by the City that may violate California's Housing Element Law and threatening to revoke the City's Prohousing Designation for "failure to meet its obligations to Affirmatively Further Fair Housing."

October 6, 2025

City of Los Angeles City Council
200 N Spring St.
Los Angeles, CA 90012

Re: Agenda Item 24 (Council File Number 15-1138-S42)

Dear Members of the City Council:

We represent Plaintiffs LA Forward Institute, Sylvia Aroth, Professor Gary Williams, and Kathleen Coates in the pending lawsuit *LA Forward, et al. v. City of Los Angeles, et al.* (Super. Ct., Los Angeles County, Case No. 24STCV17156).¹ We write to correct the record regarding Agenda Item 24² given Council Member Traci Park's misleading comments at the October 1, 2025 Housing and Homelessness Committee meeting.³ We worry that the fact that Agenda Item 24 has been placed on the consent calendar indicates that the Council has not been provided the full background on this matter nor been informed of the potential serious harmful consequences of approving Item 24.

The discontinuance of the Venice Dell Project—the much-needed affordable housing project which the Council has planned for several years to be built on Lot 731—is the subject of *four* pending lawsuits against the City⁴ and two prior lawsuits

¹ See *LA Forward, et al. v. City of Los Angeles, et al.* (Super. Ct., Los Angeles County, Case No. 24STCV17156), <https://publiccounsel.org/wp-content/uploads/2024/07/240710-Complaint-for-Injunctive-and-Declaratory-Relief.pdf>.

² See Agenda, Item 24, Council File Number 15-1138-S42
<https://lacity.primegov.com/Portal/Meeting?meetingTemplateId=137936>.

³ See Housing and Homelessness Committee - Oct 01, 2025,
https://www.youtube.com/watch?v=JhZk_ydN7cc.

⁴ *LA Forward, et al. v. City of Los Angeles, et al.* (Super. Ct., Los Angeles County, Case No. 24STCV17156); *People Organized for Westside Renewal vs. Board of Transportation Commissioners* (Super. Ct., Los Angeles County, Case No. 25STCP01091); *Venice Community Housing Corp. et al. v. BOTC et al.* (Super. Ct., Los Angeles County, Case No. 25STCP00892); *Venice Community Housing Corp. et al. v. City of Los Angeles et al.* (Super. Ct., Los Angeles County, Case No. 25STCV20355).

which resulted in judgments in favor of the project.⁵ Just last week, the California Department of Housing and Community Development sent the City a letter of inquiry about its recent actions involving Lot 731, warning that the City may be in violation of California's Housing Element Law and at risk of having its Prohousing Designation revoked if the City does not go forward with the Venice Dell Project. (See HCD LOI Attached). Should the City maintain its present course of attempting to obstruct this much needed housing, it is also likely to have to pay out millions, if not tens of millions, of dollars, as a result of the pending litigation. That such a consequential action is quietly and hastily slipped into a consent calendar should worry the public that the Council and Mayor are being kept in the dark about what is happening.

Equally concerning is the lack of appropriate deliberation on this matter at the Housing and Homelessness Committee meeting on October 1.⁶ Despite many commenters at the meeting expressing disapproval of this item and urging the city to stop its delays and obstruction and advance the already approved Venice Dell Project, the Committee did not discuss the matter beyond attaching an instruction to obtain a briefing on the lawsuits from the City Attorney's Office and a report from the Board of Transportation Commissioners (BOTC) regarding its decision.⁷

FACTUAL BACKGROUND

Lot 731 is an underutilized parking lot in Venice Beach adjacent to the Venice Canals.⁸ It is the site of the Council-approved⁹ Venice Dell Project¹⁰ and is currently the subject of four ongoing lawsuits against the City related to efforts to block the construction of this much-needed affordable housing development in CD11. The Project

⁵ See *Coalition for Safe Coastal Development v. City of Los Angeles and Real Parties, Hollywood Community Housing Corporation, Venice Community Housing Corporation*. (Super. Ct. Los Angeles Court, Case No. 22STCV00162 (Lead); and consolidated with Case No. 22STCV03626), [Court Ruling on Writ of Mandate](#).

⁶ See Housing and Homelessness Committee - Oct 01, 2025, https://www.youtube.com/watch?v=JhZk_ydN7cc.

⁷ *Id.*

⁸ See Instagram video, @lacontroller, May 13, 2025, <https://www.instagram.com/reel/DJm5MWBBtrC/?hl=en>.

⁹ Council File Number 22-0496, Agenda Item No. 14, Official Action of the Los Angeles City Council, June 15, 2022, available at https://clkrep.lacity.org/onlinedocs/2022/22-0496_caf_6-15-22.pdf.

¹⁰ See <https://hollywoodhousing.org/portfolio-item/venice-dell-community/>.

was also approved by the Coastal Commission as of December 11, 2024¹¹, and it received \$42,455,697 on September 18, 2025, from the California Department of Housing and Community Development Multifamily Housing Program.¹² Yet, in spite of evidence to the contrary, Councilmember Park called the Venice Dell Project “defunct” in a Council District 11 Newsletter dated October 4, 2025.¹³ It is not defunct.

Our lawsuit alleges that the failure to build Venice Dell is the result of pattern and practice by Councilmember Park and the City Attorney’s Office to use City processes to subvert the Project’s approval and thwart its development in violation of the California Constitution, state housing laws, and the City’s Charter and Administrative Code. Other lawsuits also challenge the legality of the BOTC’s action during a meeting on December 10, 2024, where they voted to deny use of the parking lot for the Venice Dell Project.¹⁴ A pending lawsuit by the Project’s developers seeks over \$10 million in damages from the City for the City’s breach of its Disposition and Development Agreement.¹⁵ Between that potential liability, the significant amount the City will have to pay its outside counsel to defend against these four pending lawsuits, and potential exposure for plaintiffs’ attorneys’ fees in these public interest cases, the City is easily facing over \$20 million in exposure simply to avoid building a desperately needed and long-promised housing development it has already agreed to build. This historic waste of taxpayer funds should not move forward on consent.

Indeed, the City previously successfully defended the Project in two lawsuits brought by Project opponents in 2021 and 2022, suggesting that at least, at one point, the City was in fervent support of Lot 731 as the site of the Project. The City owes its constituents reasoning for their change in position, and an opportunity to comment on a matter of such vital public importance.

¹¹ See <https://www.coastal.ca.gov/meetings/agenda/#/2024/12>.

¹² See MFSN R3 Awards List, <https://www.hcd.ca.gov/grants-and-funding/supernofa>

¹³ See <https://mailchi.mp/a82dadcc7323/a-better-l1-is-underway-6741496?e=872a78ef3b>.

¹⁴ *People Organized for Westside Renewal vs. Board of Transportation Commissioners* (Super. Ct., Los Angeles County, Case No. 25STCP01091); *Venice Community Housing Corp. et al. v. BOTC et al.* (Super. Ct., Los Angeles County, Case No. 25STCP00892).

¹⁵ *Venice Community Housing Corp. et al. v. City of Los Angeles et al.* (Super. Ct., Los Angeles County, Case No. 25STCV20355).

CORRECTING THE RECORD

While Councilmember Park and other opponents of the Venice Dell Project would have you believe that Lot 701 is boarded off, never used and an appropriate substitute for Lot 731 that would not be subject to any challenge from the community, it is, in fact, the site of the weekly Venice Farmers Market.¹⁶ Lot 701 would also be subject to the same years-long review, approval, entitlements, and Coastal Commission review process just like any other development located within the California Coastal Zone, delaying affordable housing in this area of CD11 by a decade or more. Public records further indicate that studies conducted by the city itself (see attached City of Los Angeles Inter-Departmental Correspondence) and the Coastal Commission¹⁷ have determined that Lot 701 does not serve as a suitable alternative to the Venice Dell (Project) due to its smaller size and irregular shape.

We take this opportunity to clear up other facts that were omitted or misrepresented before the Housing and Homelessness Committee last Thursday:

- Lot 731—the lot that they City already determined is a good fit for housing—is currently an underutilized parking lot.
- There are currently only three bus lines with stops less than half a mile from Lot 731, making it a poor choice for a “mobility hub.”
- The Venice Dell Project, slated to be built on Lot 731, went through several years of approvals and coordination with the City before the City Council voted unanimously to approve its Disposition and Development Agreement in 2022. These approvals cannot be used to create a new housing project on Lot 701.
- Other affordable housing projects that were approved at the same time as Venice Dell have already been completed.
- The BOTC action is not “binding” on the City. As noted above, there are two lawsuits specifically challenging the BOTC's December 2024 action. Neither judge in either case has ruled the BOTC's actions were lawful. The City thus cannot act based on the assumption that the BOTC vote was binding or compels further action on the part of the City.

¹⁶ See <https://www.venicefarmersmarket.com/directions/Interior.pdf>.

¹⁷ Coastal Commission Staff Report at 72-73, <https://documents.coastal.ca.gov/reports/2024/12/W12a-W14a/W12a-W14a-12-2024-report.pdf>.

- The most cost-effective way for the City to move forward—and the only way to comply with its housing obligations—is to settle the two lawsuits challenging the legality of the BOTC action by setting aside that action and moving forward with the Project.
- Venice Dell is not defunct. Just two weeks ago, Venice Dell received the highest possible score from the state's Department of Housing and Community Development, along with a \$42 million grant for construction. The State would not grant \$42 million to a “defunct” project.
- Approval of the proposed feasibility study would only further delay progress on a much needed, thoroughly vetted housing project that has spent years going through the approval process and has already been unanimously approved by City Council on multiple occasions. The large number of people who spoke up against the feasibility study in last Thursday's Housing and Homelessness Committee confirm that the project remains popular and the people of Los Angeles want it built.

HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT LETTER OF INQUIRY

On October 3, 2025 the City received a letter of inquiry (LOI) from the California Department of Housing and Community Development asking for information from the City “concerning actions taken to significantly delay and effectively deny” the Venice Dell Project in violation of California’s Housing Elements Law, and threatening to revoke the City’s Prohousing Designation for “failure to meet its obligations to Affirmatively Further Fair Housing.” (HCD LOI Attached).

Why allocate additional funds to further study a site—Lot 701—deemed as an unsuitable alternative for a currently approved, entitled, and funded project when the City is already facing mounting legal fees related to its actions concerning Lot 731, including millions of dollars in potential damages for breach of contract?

Advancing Agenda Item 24 on consent only strengthens claims against the City regarding the cancellation of the Venice Dell Project and raises serious concerns about whether the City is attempting to evade its contractual obligations to build Venice Dell or whether it intends to develop affordable housing in the Venice area at all.

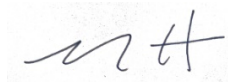
CONCLUSION

A matter as consequential as this should not be silently and hastily slipped into the consent calendar. It demands public deliberation and an explanation to the public

Sincerely,



Dale Larson
Strumwasser & Woocher LLP



Greg Bonett
Public Counsel



Katie McKeon
Western Center on Law & Poverty



Jorge deNeve
O'Melveny & Myers LLP

ATTACHMENTS

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannon Street, Suite 400
Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



October 3, 2025

Tiena Johnson Hall, General Manager
Los Angeles Housing Department
City of Los Angeles
1910 Sunset Boulevard, Suite 300
Los Angeles, CA 90026

Dear Tiena Johnson Hall:

RE: City of Los Angeles – Venice Dell Project – Letter of Inquiry

The California Department of Housing and Community Development (HCD) submits this Letter of Inquiry (LOI) to the City of Los Angeles (City) concerning actions taken to significantly delay and effectively deny a City-approved permanent supportive housing project known as Venice Dell (Project). Such actions conflict with the City's adopted 2021-2029 Housing Element and its obligation to affirmatively further fair housing (AFFH).

On September 22, 2025, HCD awarded the Project \$42,455,697 from the state's Multifamily Housing Program. This competitive funding award will provide a much-needed low-interest, long-term deferred-payment loan to enable the Project's construction. With significant funding secured, the Project's success depends solely on the City's willingness to allow the Project to proceed.

HCD requests that the City review this correspondence and provide a written response to the inquiries listed below within 30 days, no later than November 2, 2025. HCD will consider the City's written response before taking further action, such as issuing a Corrective Action Letter regarding the City's housing element and initiating a review of the City's Prohousing Designation status.

Background and Timeline

In 2016, the City issued a request for proposals (RFP) to develop affordable housing on a City-owned parking lot (Lot No. 731) located at 200 North Venice Boulevard. The location is a higher resource area, near transit, and surrounded by residential and commercial uses. The City ultimately selected Venice Community Housing and Hollywood Community Housing (Applicants) as developers for the Project. The City's Planning Commission recommended approval on July 21, 2021.¹

¹ Letter of Determination, Los Angeles City Planning Commission, July 13, 2021,

On December 1, 2021, the City Council approved Project entitlements, including a rezone, and on June 15, 2022, it voted to authorize the Los Angeles Housing Department (LAHD) to execute a Development and Disposition Agreement (DDA) with the Applicants.²

On February 13, 2024, HCD issued an LOI to the City concerning delays in further processing the Project.³ The LOI also served to remind the City of its housing element commitments. On March 13, 2024, City staff responded, listing various factors contributing to the delay, including, but not limited to, revisions requested of the Project's design.

On November 18, 2024, HCD found the housing element in substantial compliance with Housing Element Law.⁴ In its findings letter, HCD advised the City to implement programs in the City's housing element to maintain compliance, noting that certain changes, including adding potential constraints or altering programmatic commitments, could constitute an amendment triggering HCD review.

By November 25, 2024, the California Coastal Commission's (CCC) staff report identified the newly revised Project as a mixed-use development consisting of 120 units, including 68 permanent supportive housing units, 49 low-income units, and 3 manager units.⁵ The Project also includes the construction of a Los Angeles Department of Transportation (LADOT) on-site parking garage that will provide replacement parking spaces for the public. On December 6, 2024, HCD submitted a Letter of Support (LOS) for the Project to the CCC, emphasizing the City's affordable housing shortage and housing element commitments.⁶ The CCC approved the Project with modifications on December 11, 2024 (CCC Hearing).

On December 10, 2024, the City's Board of Transportation Commissioners (BOTC) held a special hearing about the Project, recommending LAHD evaluate the feasibility of relocating the Project from the 2.65-acre Lot No. 731 to a completely different property, Lot No. 701.⁷ This additional hearing took place just prior to the CCC Hearing,

<https://planning.lacity.gov/pdiscaseinfo/document/OTI3Mw0/1823a02c-5d95-4003-95c4-258347c32f18/pdd>.

² Council File Number 22-0496, Agenda Item No. 14, Official Action of the Los Angeles City Council, June 15, 2022, available at https://clkrep.lacity.org/onlinedocs/2022/22-0496_caf_6-15-22.pdf.

³ HCD Letter of Inquiry (February 14, 2024), available at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/losangeles-venicedell-hau-495-loi-02132024.pdf>.

⁴ HCD letter regarding City of Los Angeles 6th Cycle (2021-2029) Adopted Housing Element (November 18, 2024), available at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/los-angeles-he-ta-11182024.pdf>.

⁵ California Coastal Commission: <https://www.coastal.ca.gov/meetings/agenda/#/2024/12>.

⁶ HCD Letter of Support (December 6, 2024), available at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/losangeles-venicedell-hau495-los-ccc-12062024.pdf>.

⁷ See https://ens.lacity.org/ladot/transreports/ladottransreports2425185177_12102024.pdf.

approximately eight years after the City released an RFP to develop the site and over two years after the City authorized the DDA.

On April 9, 2025, the City's Housing and Homeless Committee (HHC) approved the Affordable Housing Managed Pipeline (AHMP) extension list with a request that LAHD report back in 30 days on the selection criteria used to determine eligibility and how this is communicated to applicants. It is HCD's understanding that the City excluded the Project from this list.

On June 11, 2025, the CCC held another hearing for the Project to extend the original six-month deadline in order for the City to accept the CCC-approved modifications to a full year. This additional hearing occurred because of inaction on the City's part. It is HCD's understanding that this step is critical for the Project to proceed. Again, HCD provided a letter to the CCC, noting the extension would provide the City yet another opportunity to follow through on its housing element commitments and AFFH obligations. Without the necessary action by the City to formally accept the CCC's modifications, among other actions within the City's control, the Project cannot be built.

Analysis

1. Housing Element Law

Through Housing Element Law, the Legislature established that "the availability of housing is of vital statewide importance" and "[l]ocal and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community."⁸ The City contributes to this effort by adopting and implementing a compliant housing element that includes, among other things, policies and programs, actions to AFFH, and a sites inventory identifying where additional housing is expected.

Housing Element Policies and Programs

Relevant policies in the City's housing element to facilitate the Project include:

- 1.2.5: Streamline the housing approval process, particularly for Affordable Housing, throughout City departments.
- 1.2.7: Develop and facilitate the dedication of financial resources for new construction of Affordable Housing.
- 1.2.10: Prioritize the development of Affordable Housing on public land.
- 1.3.1: Prioritize housing capacity, resources, policies and incentives to include Affordable Housing in residential development, particularly near transit, jobs, and in Higher Opportunity Areas.

⁸ Gov. Code, § 65580, subs. (a), (d).

5.1.3: Expand permanent supportive housing options with services for homeless persons, particularly chronically homeless individuals and the most vulnerable, to ensure that they remain housed and get the individualized help they may need.

Many of the actions or inactions noted in the timeline above, however, impede the Project. These actions and inactions are inconsistent with these policies.

In addition, in accordance with Housing Element Law, adopted programs “[set] forth a schedule of actions during the planning period, each with a timeline for implementation.”⁹

Housing Element Program #15, for example, commits to increasing the utilization of public land for affordable housing with particular emphasis on high resource and gentrifying areas. This program’s objective states:

Increase the utilization of public land for affordable housing with particular emphasis in high resource and gentrifying areas; Identify publicly owned housing opportunity sites and issue RFPs to develop the sites by 2023; and annually thereafter; ...Revise the Asset Management Evaluation Framework to add AFFH criteria into the property review and evaluation process.

As a lead agency to Program 15, the City Administrative Officer (CAO) and the City Council are primarily responsible for ensuring that AFFH criteria are added to the review and evaluation process. This framework is used to analyze City-owned, and other publicly and privately owned, property for permanent and interim housing, homeless facilities, economic development, and other uses. The recommendation also included the replacement of the Property Review and Evaluation Process with the Asset Evaluation Framework (AEF) Flow Chart.¹⁰ However, on April 12, 2024, the CAO recommended for approval the revised AEF **without** AFFH criteria.

Instead of adding AFFH to the revised AEF criteria, as promised in Program 15, the April 12, 2024 CAO report noted that “[t]he CAO has also added the review and approval from the Board of Transportation Commission (BOTC), as provided by Administrative Code Section 22.484(g)(A)(7), for LADOT parking lots before the site is considered by Council and Mayor.” Moreover, projects may be eliminated due to “zoning considerations,” as appears to be the case with a residential-zoned property located at 6621 Manchester Avenue and 6614 West 85th Place, also in a high resource area. In other words, the City opted to add an additional layer of review by BOTC and added zoning considerations but did not take the opportunity to add AFFH to the criteria.

The Project is in a higher resource area, near transit, markets, and open space, thereby providing access to needed resources and amenities associated with positive economic, educational, and health outcomes for low-income families.

⁹ Gov. Code, § 65583, subd. (b).

¹⁰ See https://clkreplacity.org/onlinedocs/2012/12-1549-S3_rpt_CAO_4-12-24.pdf.

Ignoring AFFH considerations in evaluating potential sites, while considering zoning as a factor to exclude a potential property from consideration, demonstrates a concerning pattern that the City is inconsistent with housing element policies 1.2.5 and 1.2.10. and the stated objectives of Program 15 to AFFH. This recent shift in policy direction not only impacts the Project's development timeline but is likely to impact future affordable housing projects in higher resource areas.

The City's housing element acknowledges the constraint zoning has placed on the development of affordable housing as follows:

Zoning capacity and its inequitable distribution throughout the City has limited the production of affordable housing in higher resource areas and instead concentrated its production in the areas with the lowest resources (see Map 2.1). Existing land use and zoning, combined with high land values, have resulted in conditions that make it infeasible to develop affordable housing in many areas of the City which have the highest incomes, resources, amenities, and access to economic opportunity.

Despite the Project having obtained zoning approval through the City Council, a DDA, and approval by the CCC, the City scheduled an additional hearing with the BOTC to consider another site for the Project. This defies standard operating procedures and what the City committed to in the housing element.

Housing Element Program #6, "New Production of Affordable Housing through the Affordable Housing Managed Pipeline," has the following objective:

Prepare annual NOFA biannually, 500 units produced per year, with priority scoring for projects in Higher Opportunity Areas with the goal of funding at least 8% of units in Higher Opportunity Areas and at least 80% of units near transit. Achieving a higher percentage goal depends on federal and state funding regulations. Set-aside of 250 units of supportive housing.

Although the Project is in a "higher opportunity area" and near transit, it no longer appears on the City's list to extend financing commitments.¹¹ As noted in the timeline, it is HCD's understanding that the City's Housing and Homeless Committee (HHC) acknowledged this confusion at the April 9, 2025, hearing by recommending LAHD report to the City Council in 30 days on the selection criteria used to determine eligibility of projects and extensions to the AHMP Program. The HHC also recommended LAHD report to the Council on how information is communicated to prospective AHMP applicants about the process. It is unclear whether LAHD has taken such action, nor is it clear why the Project was left off the AHMP list in the first place. What is clear is the need to improve communication between the City and project applicants in addition to taking actions consistent with the housing element.

¹¹ See Report from City Administrative Officer, 04/03/2025, Council File: 22-0876-S4.

Constraints Analysis

Government Code section 65583 requires cities to analyze governmental constraints that hinder the locality from meeting its housing needs, including supportive housing, and sets forth a program of actions that protect and promote such housing. Through the housing element, cities must “remove governmental constraints that hinder...meeting the need for housing for persons with disabilities,” which requires “remov[ing] constraints to, and provid[ing] reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.”¹²

Creating new constraints by requiring additional hearings or analysis to prevent an entitled project from moving forward runs counter to taking meaningful actions to address the City’s housing needs, especially for persons with disabilities.

Sites Inventory

As the City is aware, every jurisdiction’s housing element requires an inventory of adequate sites with sufficient capacity to accommodate its regional housing needs by income category.¹³ Projects that have been approved, permitted, or received a certificate of occupancy since the beginning of the Regional Housing Needs Allocation (RHNA) projection period may be credited toward meeting the RHNA allocation based on the affordability and unit count of the development.¹⁴ The housing element describes such “pipeline projects” this way:

All included development projects are expected to be completed within the 6th cycle, as they represent projects which have a defined development program, a commitment of public funds and/or land, a selected developer and development agreement, and/or have received necessary approval from the appropriate oversight board or council to move forward for development.

The City’s housing element identifies the Project in Appendix 4.2 “Pipeline Development Projects on Public Land,” under “City-Owned and Leased Sites – Affordable & Supportive Housing,” along with 33 other sites. Of the 34 city-owned or leased sites identified in the City’s Housing Element, only six are in high resource areas, including the Project. Of those six projects, two have stalled since 2023, including Venice Dell.

Because the Project is a “pipeline project,” the City already received credit toward its RHNA based on the Project’s affordability and unit count. This credit lowered the City’s need and therefore did not require the site-specific analysis typically required in the sites inventory. Furthermore, the Project’s inclusion communicates the City’s commitment to see the Project successfully developed within the planning period.

¹³ Gov. Code, § 65583, subd. (a)(3).

¹⁴ Gov. Code, § 65583.1, subd. (d).

Inquiries

Based on the background and analysis above, HCD requests the following information:

1. The role of the City's BOTC in the Project and an explanation for why the BOTC held a hearing after the Project was approved.
2. How the City plans to ensure the Project, or an equivalent project, is developed within the 6th cycle planning period.
3. The City's plan and timeline to take the CCC's modifications back to the City Council.
4. An explanation for why the City hasn't added AFFH to its asset evaluation framework and when does it plan to do so.
5. An explanation as to how the City is using zoning as a consideration to eliminate potential development on public land sites.
6. An explanation for why the Project was excluded from the Affordable Housing Managed Pipeline extension list.
7. A description of the City's selection criteria for extensions to the Affordable Housing Management Pipeline program.
8. Whether and how the City is meeting the stated objectives in Program #6 of its housing element for funding 8 percent of units in higher opportunity areas.

2. Prohousing Designation Status

The City received a Prohousing Designation on April 4, 2023, based in part on points for, among other things, "demonstrating other zoning and land use actions that measurably support the acceleration of housing production." In addition, in HCD's announcement letter, HCD reminded the City that AFFH is state law and a threshold requirement for receiving and maintaining Prohousing Designation.

While HCD appreciates the City's efforts to achieve a Prohousing Designation and maintain Prohousing Policies, HCD must regularly monitor Prohousing Designations and, if appropriate, revoke a Prohousing Designation upon determining that, among other things, a jurisdiction "has failed to meet its obligations to Affirmatively Further Fair Housing"¹⁵ or "to comply with state housing law, including, but not limited to, any of the laws specified in Section 6604" of the California Code of Regulations.¹⁶ This includes Housing Element Law.

¹⁵ CCR Title 25, § 6607, subd. (a)(1)(D).

¹⁶ CCR Title 25, § 6607, subd. (a)(1)(E).

Conclusion

On June 29, 2022, HCD found the housing element in compliance with Housing Element Law (Gov. Code, § 65580 et seq). This finding was based on, among other things, actions to AFFH. On November 18, 2024, HCD advised the City to implement programs as committed to in its housing element to maintain compliance. Should the City decide to further delay and effectively deny a “pipeline” supportive housing project, the City may be acting in a manner that is inconsistent with adopted housing element policies and program commitments. Moreover, the City’s actions jeopardize more than \$42 million in state funding that has already been awarded to the Project.

HCD will review and consider the City’s written response before taking any action, including issuance of a Corrective Action Letter regarding the City’s housing element and initiating a review of the City’s Prohousing Designation status.

Please provide a written response to the inquiries listed in this letter by November 3, 2025. If you have questions or would like to discuss this matter, please contact Lisa Krause at lisa.krause@hcd.ca.gov.

Sincerely,



Melinda Coy
Housing Accountability Unit Chief

cc: Councilmember Traci Park
Councilmember Nithya Raman, Chair of the Housing and Homelessness
Committee
Hydee Feldstein Soto, City Attorney
Craig Arceneaux, Assistant General Manager, Los Angeles Housing Department
Elizabeth Selby, Director of Development and Finance, Los Angeles Housing
Department
Eric Claros, Director of Housing, Los Angeles Housing Department
Yolanda Chavez, Assistant City Administrative Officer, City Administrative Office
Yaneli Ruiz, Director of Housing Innovation Strategies, Los Angeles Housing
Department

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: February 21, 2025

TO: Yolanda Chavez, Assistant City Administrative Officer
Office of the City Administrative Officer

FROM: Sarah Molina-Pearson, Principal City Planner *SMP*
Department of City Planning

SUBJECT: DUE DILIGENCE REQUEST FOR LADOT LOT #701

On January 17, 2025, the Office of the City Administrative Office (CAO) requested the Department of City Planning to analyze the existing zoning requirements that pertain to a City-owned parking lot, and to provide a synthesis of existing zoning requirements, potential land use entitlements, and other regulatory barriers to determine the feasibility of developing permanent affordable or supportive housing on Los Angeles Department of Transportation (LADOT) Parking Lot #701 located at 2150 Dell Avenue in Council District 11. The site analyzed is detailed below:

APN	Address	Lot Size	Zoning
4238-018-900 (partial); 4238-025-901, 902, 903	2150 Dell Avenue (Parking Lot No. 701)	86,106 SF	OS-1XL-O

I. Existing Planning and Zoning Requirements

The project site includes four Assessor's Parcel Numbers (APNs) corresponding to 13 lots and portions of two lots to the east of the project site with APN 4238-018-900, totaling approximately 86,106 square feet. The project site is located on the south side of North Venice Boulevard, the north side of South Venice Boulevard, the east side of Dell Street and a portion of the lots on the west side of the Venice-Abbot Kinney Memorial Branch Library. The site excludes the nine lots zoned RD1.5-1-O located at the southeast corner of Dell Avenue and North Venice Boulevard and the portion of the lots with APN 4238-018-900 consisting of the Venice-Abbot Kinney Library and east of the library to Abbot Kinney Boulevard. The site is improved as a LADOT surface parking lot with no buildings or structures. The project site is zoned OS-1XL with a land use designation of Open Space within the Venice Community Plan. The certified Venice Land Use Plan (LUP) designates the site for Open Space and has a corresponding zone of OS-1XL-O, which allows recreational facilities and parkland, but prohibits residential and mixed use developments. Furthermore, the project site is located within the North Venice Subarea of the Venice Coastal Zone Specific Plan, the Los Angeles Coastal Transportation Corridor

Specific Plan and the Dual Permit Jurisdiction of the Coastal Zone. Any future development would need to comply with the regulations in the Specific Plans and the California Coastal Act.

II. Potential Entitlements

General Plan Amendment / Venice Land Use Plan Amendment

The Community Plan designates the subject site as Open Space with a corresponding zone of OS. The subject site is also located within the area covered by the Venice Local Coastal Program Land Use Plan (LUP), certified by the California Coastal Commission on June 14, 2001. The Venice LUP designates the project site as Open Space. In order to facilitate a permanent supportive or affordable housing development, a General Plan Amendment (GPA) would be required to change the land use to a commercial or residential land use designation to allow multi-family residential units pursuant to Los Angeles City Charter Section 555 and LAMC Section 11.5.6 of Chapter 1. Procedures for a GPA are governed by LAMC Section 13B.1.1 of Chapter 1A. The City Council has 75 days to approve, disapprove, or propose changes to the GPA after receiving the recommendations of the Mayor and City Planning Commission. Additionally, any project developing ten or more residential units is subject to regulations in LAMC Section 11.5.11 (Measure JJJ) which include affordable housing requirements and job standards.

Zone Change / Height District Change

In conjunction with the requested General Plan Amendment, a Zone Change to the site's zoning designation from OS to a residential or commercial zone that allows multi-family residential units would also be required per LAMC Section 12.32 of Chapter 1 since the OS zoning classification prohibits residential development. Procedures for a Zone Change and Height District Change are governed by LAMC Section 13B.1.4 of Chapter 1A. The City Council has 90 days to approve or disapprove after receiving a recommendation from the City Planning Commission or the West Los Angeles Area Planning Commission.

Venice Coastal Zone Specific Plan Amendment

A Specific Plan Amendment to the Venice Coastal Zone Specific Plan will be required to update the zoning maps from OS-1XL to a zone that allows multi-family residential units pursuant to LAMC Section 11.5.7 G of Chapter 1. In addition, the development standards in the Venice Coastal Zone Specific Plan may also need to be amended to facilitate the development of a permanent affordable or supportive housing project. Procedures for Specific Plan Amendments are governed by LAMC Section 13B.1.2 of Chapter 1A. The City Council has 75 days to approve or disapprove the Specific Plan Amendment after receiving the recommendation of the City Planning Commission.

Coastal Development Permit

Pursuant to LAMC Section 12.20.2 and in accordance with Section 30600(b) of the California Public Resources Code, a Coastal Development Permit would be required from the City and a

second (“dual”) Coastal Development Permit would be required from the California Coastal Commission for a development located in the Dual Permit Jurisdiction of the California Coastal Zone. Procedures for a Coastal Development Permit are governed by LAMC Section 13B.9.1 of Chapter 1A. The City has 75 days to approve or deny a Coastal Development Permit upon receiving a completed City Planning application. Project applicants should consult with the California Coastal Commission for the timeline on processing a State-issued Coastal Development permit.

Venice Coastal Zone Specific Plan Project Compliance

A Project Compliance (formerly referred to as a Specific Plan Project Permit Compliance) for a project within the North Venice Subarea of the Venice Coastal Zone Specific Plan would be required pursuant to LAMC Section 11.5.7C of Chapter 1. The Specific Plan was adopted as Ordinance 172,897, effective December 22, 1999, and later amended under Ordinance 175,693, effective January 19, 2004. The Specific Plan provides regulations for use, density, lot area, floor area ratio, height of buildings or structures, setbacks, yards, buffers, parking, drainage, fences, design standards, lighting, and trash enclosures that supersede the regulations outlined in the LAMC. Procedures for Project Compliance are governed by LAMC Section 13B.4.2 of Chapter 1A. The Director shall render a decision to approve or disapprove an application for Project Compliance within 75 days of receiving a completed application.

Mello Act Compliance Review

Pursuant to Sections 65590 and 65590.1 of the California Government Code and the City of Los Angeles Interim Mello Act Compliance Administrative Procedures (IAP), a Mello Act Compliance Review for the construction of ten or more Residential Units in the Coastal Zone is required. Pursuant to Part 5 of the IAP, New Housing Developments consisting of 10 or more Residential Units are required to provide Inclusionary Residential Units.

Project Review

A Project Review (formerly referred to as a Site Plan Review) would be required for a project which creates or results in an increase of 50 or more dwelling units pursuant to LAMC Section 16.05 of Chapter 1. However, no restricted affordable units are counted towards the dwelling unit threshold per LAMC Section 16.05.D.8. Procedures for Project Review are governed by LAMC Section 13B.2.4 of Chapter 1A. The Director shall approve, conditionally approve, or deny the Project Review within 75 days after the date an application is deemed complete.

Parcel Map or Tract Map

The subdivision and merger of the existing lots into one lot per LAMC Section 17.53 (Parcel Map), 17.06 (Tract Map), or 17.15 (Vesting Tentative Tract Map) would be required to exclude the Library (APN 4238-018-900) and the portions north of the project site which are not a part of the project site. Procedures for a Parcel Map are governed by LAMC Section 13B.7.5 and

13B.7.6 of Chapter 1A. The Advisory Agency shall review and either approve, conditionally approve or disapprove the map within 30 days after the map is filed. Tentative Tract Maps or Vesting Tentative Tract Maps are governed by LAMC Section 13B.7.3 and 13B.7.4 of Chapter 1A. The Advisory Agency must render a decision to approve, conditionally approve or disapprove the tentative tract map within 50 days after the map has been filed with the City. The City Council is the decision maker on the final map.

Multiple Approvals

Approvals for projects that require multiple legislative and/or quasi-judicial approvals are heard and determined by the City Planning Commission or Area Planning Commission who has initial decision-making authority for all approvals and recommendations, and the City Council has final decision-making authority for approvals of legislative decisions per LAMC Section 12.36 of Chapter 1. Procedures for projects requiring Multiple Approvals are governed by LAMC Section 13A.2.10 of Chapter 1A. The City Planning Commission has 75 days to submit a recommendation to approve the project application to the City Council, which then has 90 days to make a decision.

III. Regulatory Barriers

Venice Coastal Zone Specific Plan

Pursuant to the Venice Specific Plan - North Venice Subarea, Venice Coastal Development Projects on residential zoned lots shall not exceed a maximum density of two dwelling units, where the lot area per dwelling unit shall not be less than 1,500 square feet. The subject site includes 13 lots and portions of two lots varying in lot area between 2,997 square feet and approximately 19,500 square feet, limiting the density to a maximum of 28 dwelling units. Further, the Venice Coastal Zone Specific Plan limits lot consolidation to a maximum of two residential lots. In addition, the Venice Coastal Zone Specific Plan limits building height to 30 feet for Flat Roofs and 35 feet for Varied Rooflines in the North Venice Subarea.

Venice Coastal Development Projects on commercially zoned lots shall not exceed a maximum density permitted in the R3 zone. The subject site, providing a lot area of 86,106 square feet, would be limited to a maximum of 107 dwelling units. Further, the Venice Coastal Zone Specific Plan limits lot consolidation to a maximum density of three commercial lots. In addition, the Venice Coastal Zone Specific Plan limits building height to 30 feet for Flat Roofs and 35 feet for Varied Rooflines in the North Venice Subarea.

The California Coastal Commission

The amendment to the Venice Local Coastal Land Use Plan to change the Land Use Designation from Open Space to either residential or commercial will require certification by the California Coastal Commission. In considering this land use designation change and any text changes, the California Coastal Commission will consider any existing Coastal Development

Permits at the subject site and any impacts to coastal resources including coastal access, loss of open space and community character.

The City's action on a Coastal Development Permit is also subject to an appeal before the Coastal Commission. Any aggrieved party or the Executive Director of the Coastal Commission may appeal the City's action on the Coastal Development Permit.

IV. Permit Streamlining

AB 785

The proposed project may utilize AB 785 which exempts an eligible project from CEQA requirements. Until January 1, 2030, the bill allows certain activities undertaken by the City of Los Angeles and other eligible public agencies related to affordable housing, low barrier navigation centers, supportive housing, and transitional housing for youth and young adults, as defined, within the City of Los Angeles to be exempt from the requirements of CEQA. The bill also broadens the definition of "supportive housing" as well as changes the term "emergency shelter" to "low barrier navigation center" and broadens the definition of that term. The City must ensure that a project meets certain labor requirements in order for the CEQA exemption to apply.

SMP/JO/NA/IB/SW/ML

For reference:

CAO request and Council File motion

<https://drive.google.com/file/d/1RKbrNvdPoEYrbJwldZnSHOckiC5O3TwH/view?usp=sharing>