

Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R26-0095
FEB 11 2026

**REPORT IN THE PUBLIC INTEREST RE:
VENICE DELL FACTS AND FIGURES
(COUNCIL DISTRICT 11)**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File Nos.: 25-1282; 25-0169; 23-1018; 22-0496; 21-0829-S1; 15-1138-S42; and 15-1138-S9

Honorable Members:

A proposed housing project commonly referred to as "Venice Dell" (the "Project") has generated substantial public debate since its termination last year. As the City of Los Angeles (City) desperately needs more affordable housing, questions have arisen as to why the Project did not proceed, even as the City authorized hundreds of new housing projects totaling more than 63,000 units during the last three years. The approved projects include four other developments authorized as part of the same program as the Project, two of which are in the same Council District as the Project and completed.

The fundamental issues that plagued Venice Dell were inherent in the flawed terms presented to the Los Angeles City Council (Council) in connection with the Project. Those terms valued the City-owned land for the Project at tens of millions of dollars less than any other comparable appraisals for that same land, including appraisals completed before and after the unsupportable appraisal was used to attempt to justify the terms of the transaction. Those terms also included escalating budgets and financings never approved by Council, missed deadlines, and performance standards, conditions, and financing requirements that were not met by the developer nor authorized or approved by the City.



The Venice Dell Project was proposed to be constructed on a 2.8 acre plot of land referred to as Lot No. 731 (Lot 731) owned by the Los Angeles Department of Transportation (LADOT), and the City entered into a Disposition and Development Agreement (DDA) with the Project developer in June 2022 to establish the terms and conditions governing the Project. This Report focuses on two key aspects of the Project: (1) the \$2.7 million valuation of Lot 731 used in the Project's fair reuse analysis, which was based on an **appraised fair market value of \$3.4 million for Lot 731**, a small fraction of any other recent appraised fair market valuations of Lot 731; and (2) an unauthorized attempt to revise the Project schedule and budget included in the DDA by way of an undisclosed "**Side Letter Agreement**" (the "Side Letter") that purported to increase the Project's **budget to \$133 million from \$86.9 million**.

The Side Letter also purported to increase the proposed amount of gap funding the City would be expected to provide for the Project from an initial \$6.3 million loan by the Los Angeles Housing Department (LAHD) in the DDA to \$21.6 million in LAHD Loans, an increase of more than 338%. The Side Letter was executed without the requisite City Council approval or City Attorney sign off as to form by LAHD's former General Manager. As a result of the lack of compliance with DDA-required provisions and Charter-mandated approvals, the Side Letter has no – and never had any – legal force or effect.¹

Recent criminal charges pending against other developers of affordable housing projects serve as a potent reminder that every proposed affordable housing project that is proceeding through the City's approval process should be scrutinized to ensure project feasibility and to verify the accuracy of valuation assumptions and requested public funding amounts. The 90% appraisal differential, unauthorized Side Letter, missed deadlines, failure to meet DDA conditions, spiraling costs (approaching \$1.3 million per unit) and other factors all combined to render the Venice Dell Project infeasible and unauthorized.

This Report summarizes certain publicly available facts about the Project but does not discuss confidential information or legal advice, does not discuss a number of other issues that made the Project infeasible, and it does not waive any of the City's privileges or rights with respect to communications, advice or litigation. The City has moved on from Venice Dell and is proceeding with urgency to continue funding and incentivizing the development of feasible new housing developments that are affordable to residents and cost efficient to build, including one on a City-owned property directly across the street from the former Venice Dell location.

¹ *First Street Plaza Partners v. City of Los Angeles* (1998) 65 Cal. App. 4th 650 (a contract that does not comply with the Charter's contracting mandates is not enforceable); *Childhelp, Inc. v. City of Los Angeles* (2024) 91 Cal. App. 5th 224 (same principle).

Background

Lot 731 consists of ten separate parcels (APNs 4238-024-900, -902, -903, and -905 to -911) located street to street between North and South Venice Boulevard, Pacific Avenue and Dell Avenue, and was included as one of twelve Affordable Housing Opportunity Sites (2016 AHOS) owned by the City and offered for development to be awarded to prequalified bidders originally selected in 2016. Five 2016 AHOS projects proceeded to the next level under Exclusive Negotiating Agreements (ENA), and the City signed an ENA for the Project with Hollywood Community Housing and Venice Community Housing (jointly "Developer") to develop Lot 731. Of the five projects that proceeded to the ENA stage, three have been completed and a fourth is currently under construction (two of those 2016 AHOS projects are also in Council District 11). The Venice Dell Project is the only 2016 AHOS project with an executed ENA that failed to satisfy its conditions, defaulted under its agreement with the City, and was subsequently terminated.

In May 2016, the City Council directed LADOT and the City Administrative Officer (CAO), with the assistance of LAHD, to release a Request for Qualifications / Proposals (RFP) to provide for affordable housing projects as part of the 2016 AHOS, including new housing with replacement parking at Lot 731. In December 2016, City Council approved the selection of the Developer to create a development plan for the Project, and the City and the Developer entered into an ENA in January 2017 with an initial two-year term that expired in January 2019. That term was subsequently extended twice to March 2021 and tolled based on Mayor Garcetti's COVID-19 emergency tolling order in April 2020 for an additional 1,075 days. In June of 2022, City Council authorized LAHD to execute the DDA with the Developer for the development of affordable housing on Lot 731 based on the project design, appraisal, fair use analysis and budget submitted at that time. (Council File Nos.15-1138-S9, 22-0496.)

The Project design referenced in the DDA included 140 units (including four manager units) with 105 residential and commercial parking spaces surrounded by 63 housing units in a building on the west side of Lot 731, and 252 public parking spaces all located inside a five-level, three-story parking structure with mechanized parking lifts on the east side of the property surrounded by 77 housing units. The DDA made it clear that the City-owned and operated public parking structure was subject to a separate agreement with LADOT outside the scope of the DDA. (See Contract No. C-140728.) No additional details regarding the public parking structure were presented to Council, nor was any Project information submitted to the Board of Transportation Commissioners (BOTC) at that time. Under Section 22.484(g) of the Los Angeles Administrative Code, BOTC is responsible for the management of all City-owned public parking places, including Lot 731.

The Project Budget included in the DDA assumed a total development cost of \$86.9 million with a 3.75% construction loan blended interest rate, without any allocation of funds to the construction or operation of the public parking lot. The Developer proposed to finance the public parking structure using City-issued debt in an undefined

amount on unspecified terms. The proposal contemplated that the City would wholly or partially lend the funds, financed by the Municipal Improvement Corporation of Los Angeles (MICLA), the terms of which were never identified to or approved by the City. An initial \$11.6 million of MICLA financing was listed in the City's 2022-23 adopted budget without terms for the bonds or the proposed loan to the Developer, and that MICLA authorization subsequently expired. In its report to the BOTC, LADOT estimated the parking lot construction would cost \$22 million plus additional operating costs to be absorbed by the City.

In September 2024, just two weeks prior to her previously announced departure, the former LAHD General Manager executed the Side Letter with the Developer without the requisite authorization or approvals from either City Council or the City Attorney's Office for approval as to form required to make the Side Letter binding on the City. The Side Letter purported to significantly extend the Project's schedule, increase the projected interest cost from 3.75% to 7.8%, and increase its total development cost from \$86.9 million to \$133 million. This increase in total development cost exceeded the 15% cap on how much the Project's budget could be increased without City Council authorization pursuant to Section 3.2 of the DDA.

Questionable \$3.4M Appraised Value for Lot 731

When Lot 731 was included in the 2016 AHOS RFP, it was initially valued at \$14.4 million by a June 2016 appraisal obtained by the City, and then at \$34 million in an August 2016 appraisal which was consistent with a 2018 appraised fair market valuation of \$35.8 million. However, a 2020 appraisal at less than 10% of that amount (\$3.4MM) was used as the basis for the fair reuse value analysis on the record when the Project came before City Council on June 15, 2022. At that time, the 2020 \$3.4 million appraised fair market value was further discounted to \$2.8 million for purposes of the fair reuse analysis.

As with any transfer of public assets, the approval of the Project by the City Council required an analysis of the value of the City's assets to be transferred to the Developer and an assessment of the public benefits conferred. Since the City obtained an appraisal of Lot 731 valued at \$14.4 million in June 2016, all other appraisals of Lot 731, whether obtained by the Developer or the City, have been at or above \$25 million, except for the \$3.4 million appraisal presented to City Council for approval of the DDA for the Project in June 2022. That outlier of an appraisal valued Lot 731 at a discount of more than 90% from the most recent prior 2018 appraisal, at an 87% discount from the subsequent 2025 appraisal, and more than a 76% discount from the next lowest appraised value of \$14.4 million in 2016.

To summarize, the appraisals and fair reuse analysis include the following fair market valuations (FMV) for Lot 731:

2016: \$14.4 and \$34 million (two separate FMV appraisals done at the time of the 2016 AHOS RFP to select a developer – valued at \$125

per square foot (PSF) and \$280 PSF)

2018: \$35.8 million (FMV appraisal at \$300 PSF)

2020: \$3.4 million (\$29 PSF, a 90% discount from 2018 and a 59.2% discount from the most recent comparable sale that closed 3 weeks prior to being utilized in the 2020 appraisal)

2022: \$2.7 million (fair reuse value presented to City Council utilized the 2020 \$3.4 million appraisal with an additional 21% discount)

2025: \$25.9 million (FMV appraisal obtained by developer for its HCD financing application)

Excerpts from these various appraisals and the 2022 fair reuse value analysis prepared for the City by Keyser Marston Associates are included as Attachment A to this Report.

The \$3.4 million 2020 appraisal identified 3 “comparable” sales although all were at least 6 miles inland for parcels with less desirable topography (sloping rather than flat and on secondary interior roads rather than street to street). Even those 3 comparable sales were valued at between \$61.75 PSF and \$70.98 PSF, with the highest value also being the most recent transaction, having closed just 19 days before the date of the \$3.4 million appraisal, resulting in an inexplicable discount of more than 59% in the appraisal of Lot 731 from a sale that was less than three weeks old.

In April 2025, the Developer obtained an appraisal of the Project site from BBG Real Estate (the same appraisal company involved in a separate affordable housing transaction under criminal investigation) and submitted it as part of a financing application to the California Department of Housing and Community Development (HCD). The BBG appraisal estimated the value of Lot 731 at \$25.9 million (\$224 psf) or nearly 10 times the amount of the questionable \$3.4 million appraisal.

Recent investigations and pending criminal charges by federal prosecutors in connection with other local affordable housing projects supported by questionable appraisals have heightened the City’s concerns regarding the validity of the 2020 appraisal and the fair reuse valuation analysis that was relied upon by City Council in connection with its 2022 authorization to negotiate and finalize the DDA.

Spiraling Project Costs

The Project Budget originally attached as Exhibit E to the DDA on June 28, 2022 was for a total of \$86,869,972. A copy of the relevant portions of the DDA (Cover Page, Section 3.2(a)(i), and Exhibit E) are included as Attachment B hereto. Pursuant to DDA Section 3.2(a)(i), the DDA Project Budget could not be increased by more than 15% – or not above a maximum of \$99,900,468 – without bringing the Project back to City

Council for approval. No such approval was ever sought or obtained. The DDA Project Budget projected an interest rate for permanent financing of 5.911% predicated upon an assumed 10-year U.S. Treasury Bill index rate (Index Rate) of 1.630%. By May 1, 2022 (the date of the DDA Project Budget) the Index Rate increased to 2.75%, and by June 15, 2022 (when Council considered the Project's DDA), the Index Rate had risen to 3.5% – more than double the Index Rate in the DDA Project Budget presented by the Developer to the City.

As previously discussed, on September 25, 2024, the Developer and the then-LAHD General Manager executed the Side Letter which purported to increase and replace the original DDA Project Budget (DDA Exhibit E) with a revised budget of \$133 million (the "Side Letter Budget"), well in excess of the original amount authorized by City Council. Both the Side Letter and the Side Letter Budget are included as Attachment C hereto. Due to an express, written provision in the DDA, the Side Letter required but did not obtain City Council approval and City Attorney sign off as to form and legality to be valid. Thus, the Side Letter's proposal to increase the DDA Project Budget beyond \$99,900,468 (15% greater than the original DDA Project Budget amount) without City Council approval or City Attorney signoff was and remains void.

The Index Rate in the Side Letter Budget was increased to 4.620% with an assumed interest rate of 7.495% on the permanent financing. The Side Letter Budget also includes an "LAHD Ground Lease Value" of \$28 million with no explanation (the developer's previous Project Budget submitted in 2022 included \$0 for the ground lease value).² When the City Council approved the execution of the DDA in 2022, the DDA Project Budget indicated a total all-in development cost of **\$620,497 per unit** (\$86.9MM total budget and 140 total units). The Side Letter Budget has an all-in cost of **\$1,110,265 per unit** for 20 fewer units (a \$46 million increase for a total budget of \$133MM and 120 total units).

Both Project Budgets rely upon problematic assumptions such as: (1) the erroneous Index Rate, (2) the stated assumption that the financing would be "unsubordinated" to the affordability and regulatory requirements, (3) there would be approximately \$35-\$40 million of equity financing available, and (4) the City would pay to construct and operate the parking component of the Project which LADOT estimated to have an initial cost of approximately \$22 million (as opposed to the current use of Lot 731 which generates revenue for the City). If those costs are added to the Side Letter Budget, the cost of the Project increases to \$1.3 million per affordable unit without

² A June 27, 2025 letter from the Developer's counsel attempts to explain the increase in costs as follows: "This cost escalation was in large part due to the fact that the initial City-approved Project Budget excluded the appraised value of the City-owned parking lot, at \$28 million, but the developer and LAHD agreed to include the lot's value in the June 2024 Revised Budget. This accounting change does not represent a true increase in development costs because the land will be leased from the City for \$1/year. This change to show the value of the City's contribution for the land lease reflects a technical adjustment prompted by regulations governing applications for financing from the state." The explanation by Developer's counsel raises the concern that the City Council may have been misled in 2022 as Council did not receive accurate information to confirm that the City would be gifting at least \$28MM of fair market land value to the Developer under the ground lease.

considering the cost impact of ongoing operation and maintenance of the public parking lot.

Both interest rates and construction costs increased considerably from 2022 to 2024, yet a side by side comparison of the Project Budget and the Side Letter Budget shows that the Developer actually **decreased** the hard costs unit construction line item by more than 5% (from \$42,749,973 to \$40,485,613) and apparently did not include Prevailing Wage and Labor Standards requirements in the DDA Project Budget. The amount and variation in these Project Budget assumptions would have required revisiting the Project's overall feasibility as indicated in the original materials presented to the City and City Council even if the Developer had satisfied the conditions and been in compliance with all of its obligations under the DDA.

The Developer's assumption that the financing would be "unsubordinated" to the City's affordability and regulatory covenants is contrary to the conditions of approval for the Project which make it clear that the reverse was required. The City's affordability covenants and regulatory agreements were required to remain senior to any financing instruments. For example, the Keyser Marston Associates Memorandum to the LAHD Loan Committee (Attachment D hereto) repeatedly addressed this issue (e.g. page 2 "The ground leases and regulatory agreements will not be subordinated to the construction and permanent debt lenders"). Any other result would mean that the Project's affordable housing covenants could be eliminated via lender foreclosure, leaving the City without the public benefit necessary to make City-owned land available at less than fair market value to a private party (whether for profit or not for profit). Assuming that the recorded financing lien would be senior to the affordability requirements made the Project infeasible and eliminated the required public benefit conferred – namely ensuring the long-term affordability of the housing. Both of the Project's Budgets were based on faulty assumptions to which the City did not and could not agree.

The Project Budgets also omit the additional estimated \$22 million cost to build the public parking structure that neither LADOT nor City Council considered or approved.³ That parking structure, even if its design were revised from the original proposal provided to Council in order to comply with the Coastal Commission and beach access requirements, would have to be built and operated by the City with limited ability to recoup its costs since the Coastal Commission regulates public parking rates to ensure accessibility. An analysis of the issues associated with the various iterations of the proposed parking structure is beyond the scope of this Report, but the Project at times appeared to be more of a parking project than a housing project. Lot 731 currently generates over \$440,000 in gross annual revenue for the City and LADOT estimated that the Project as proposed on Lot 731 would no longer generate any net revenue to the City. Adding the \$22 million in parking lot construction costs to the Project's Budget, and removing the prospect of realizing any net operating revenue from

³ See Department of Transportation Board Report, Dec. 10. 2024, Re: cost estimate of Lot 731 (Attachment E).

the public parking lot to the City makes the Project even less feasible to build and operate.

Requisite Approvals Never Obtained

As described in the City's response to HCD's letter of inquiry dated December 1, 2025 (Attachment F), the Project was never fully approved by the City. LADOT disapproved the use of Lot 731 for the Project, and none of the public parking plan, the MICLA financing for the public parking structure, the ground lease, nor the additional financing required to close a significant funding gap in the Project Budget (or the Side Letter Budget) were presented to or approved by City Council. The Project's unauthorized cost increases and the substantial documentation regarding easements, access, and primacy of the affordability covenants were all required to be presented to City Council for its approval.

The LADOT report noted the \$22 million estimated total cost to construct the public parking structure, the potential loss of annual parking revenue from Lot 731 during construction, and the City's loss of "tens of millions of dollars" that would otherwise be generated from a full market value sale of Lot 731 instead of conveying it to the Developer. At the end of its December 10, 2024 special meeting, BOTC voted unanimously to approve LADOT's recommendations to not authorize Lot 731 for the Project; to request that a feasibility study be conducted to assess the possibility of building income-restricted housing on the adjacent Lot 701; and to consider using Lot 731 as a transit mobility hub.

Before the matter was presented to the BOTC, the Coastal Commission rejected the Developer's application for approval of a coastal development permit as incomplete five separate times. It was not until more than a month after BOTC rejected the use of Lot 731 for the Project that the Coastal Commission issued a conditional approval with conditions that themselves would require additional approvals from the City. (The Coastal Commission actions are attached as Attachment G; see Council File No. 21-0829-S1). The Developer failed to comply with the conditions of approvals as well as with the requirements of the Disposition and Development Agreement.

The Developer also failed to provide evidence of sufficient financing sources within the time required by the DDA. The original deadline for the Developer to demonstrate proof of all requisite funding commitments was on or about June 30, 2024. That date expired 3 months before the Side Letter was executed and more than a year before the Developer successfully applied for any financing commitments.

///

///

///

All of these conditions and approvals were necessary to fulfill the essential purpose of the proposed transaction and to ensure that the City actually ends up with a feasible affordable housing project that provides the public benefit necessary to approve the use of City-owned property, public assets and public funds by private developers.

Sincerely,



HYDEE FELDSTEIN SOTO
Los Angeles City Attorney

Attachments

cc: Mitch Kamin, Chief of Staff to Mayor Bass
Dr. Etsemaye Agonafer, Deputy Mayor of Housing & Homelessness
Services
David Michaelson, Counsel to Mayor Bass
Sharon Tso, Chief Legislative Analyst
Matt Szabo, City Administrative Officer
Tiena Johnson Hall, LAHD General Manager
Laura Rubio-Cornejo, LADOT General Manager
Vince Bertoni, Director of Planning

ATTACHMENT A

ATTACHMENT A

Epic Land Solutions, Inc.

2601 Airport Drive, Suite 115
Los Angeles, CA 90505

Phone: (310) 626-4848

Fax: (310) 891-3348

VENICE DELL PACIFIC SITE

125 East Venice Boulevard (NEC of S. Venice Blvd and Pacific Ave)
Los Angeles, California 90291

APPRAISAL REPORT

Date of Report: June 22, 2016

File #: SAN160257



PREPARED FOR
City of Los Angeles, in care of
David L. Roberts
Project Manager
City of Los Angeles
111. E. First Street Room 213, City Hall
Los Angeles, CA 90012

Prepared By

EPIC LAND SOLUTIONS INC.

CREATING LAND SOLUTIONS FOR THE PUBLIC GOOD

www.EpicLand.com

Epic Land Solutions, Inc.

June 22, 2016

City of Los Angeles, in care of
David L. Roberts
Project Manager
City of Los Angeles
111. E. First Street Room 213, City Hall
Los Angeles, CA 90012

RE: Venice Dell Pacific Site

125 East Venice Boulevard (NEC of S. Venice Blvd and Pacific Ave)
Los Angeles, California 90291

Epic Land Solutions, Inc. No. EA16019

Mr. Roberts:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by the City of Los Angeles and Epic Land Solutions, Inc.

At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the **As-Is Market Value** of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	June 4, 2016	\$14,400,000
OTHER CONCLUSIONS AS OF JUNE 4, 2016			
Ground Lease Equivalent	Leased Fee	June 4, 2016	\$575,000 annual NNN rent with CPI

The subject is a vacant 2.65-acre site located at the northeast corner of South Venice Boulevard and Pacific Avenue in Venice, CA. The site is generally level and is enclosed by small concrete wall. The site features a canal that splits the property, parallel to Pacific Avenue, and a bridge adjoining both halves of the parking area. The paving is in good condition. The site is currently zoned for open space; however, the subject site will be appraised assuming the zoning is consistent with the properties on either side of Venice Boulevard, which are zoned R3-1-O. The maximum residential development density is 54.45 dwelling units per acre (DU/Ac.), which is typical to the area. The closest Metro light rail stations are part of the Expo and Green Lines, each within 6 miles of the subject.

David M. Rosenthal, MAI, FRICS
William H. Curtis (1955 - 2003)

APPRAISAL REPORT

Venice Dell Pacific Parking Lot (#701, #731)
125 S Venice Boulevard
Venice, CA 90291

File Number: 11212-16



David M Rosenthal, MAI, FRICS
William H. Curtis (1955 - 2003)

Dawn Olson, MRICS
Thomas Curtis
Robert Hara
Thomas Melghen
Michael Bergstrom
Marian Peak
Randy Blaesi
Joe Villegas
John Golt
Yemen Fowler
John Gilliam
Asha Ross
Moon Yee

August 16, 2016

City of Los Angeles, General Services Department
C/o Mr. Dave Roberts
111 E 1st Street, City Hall South
Los Angeles CA 90012

RE: Appraisal Report:
Venice Dell Pacific Parking Lot (#701, #731)
125 S Venice Boulevard
Venice, CA 90291
File Number: 11212-16

Dear Mr. Roberts,

Per your request, we have appraised the above referenced property. Our appraisal is intended to conform to the Uniform Standards of Professional Appraisal Practice (USPAP).

Our analyses and conclusions are contained in this **Appraisal Report**, which is intended to comply with the reporting requirements set forth under USPAP Standards Rule 2-2.

In conformance with the Scope of Work rule of USPAP, the sections below describe the Scope of Work for this assignment.

Client - The client for this assignment is the City of Los Angeles, General Services Department, C/o Mr. Dave Roberts.

Intended Users - The intended user of this report is exclusively the client stated above. There are no other authorized users of this report.

Intended Use - The intended use of this report is to assist with internal asset monitoring.

Purpose of This Assignment - The purpose of this assignment is to develop an opinion of the **Market Value**, of the **Fee Simple Estate** in the subject property, without regard to the existing improvements and **subject to Hypothetical Condition Number 1**, as of the effective date of value. *(Please see the Addenda to this report for the definition of Market Value.)*

Effective Dates of Value - The date of value for this assignment is August 13, 2016, which is the date of value coinciding with the date of our last inspection of the subject.

Relevant Characteristics of the Subject Property – The improved property being appraised, and which is the subject of this report is a multiple cornered (full block) parcel assemblage located on the northeast corner of S Venice Boulevard and Pacific Avenue, within the City of Los Angeles (community of Venice), in Los Angeles County, California. The subject is addressed on public records to include 125 S Venice Boulevard, 206 N Venice Boulevard, and 210 N Venice Boulevard; however, the City of Los Angeles' 'Zone Information & Map Access System' (ZIMAS) shows the subject as encompassing physical addresses of 2102 S Pacific Avenue, 128 S Pacific Avenue, 319 S Venice Boulevard, and 128/200/208/210/212/216/302 North Venice Boulevard,. Unless otherwise specified, the subject is referred to herein as 125 S Venice Boulevard.

The subject property, which is legally described within this report, comprises an irregular shaped, multiple cornered, non-contiguous, assembled site of 115,519 square feet (*per public records*). As of the date of our onsite inspection, the bulk of the subject site was being utilized by the City of Los Angeles as a public parking lot operated by 'Parking Concepts Inc.'. The subject site is developed with asphalt paving, perimeter wall, and a utility building approximating 3,900 sf.

The subject is located within the North Venice-Canals district. The northern terminus of 'Grand Canal' bisects the subject site into two distinct areas, one essentially rectangular shaped, ±45,606 sf area located on the western boundary of the site at Pacific Avenue, and one irregular shaped, ±69,913 sf area being the remainder of the site. There is a concrete bridge spanning the 'Grand Canal' allowing vehicular and pedestrian crossings over the canal and between the areas of the subject site.

The subject site has frontage on four roadways – N Venice Boulevard, S Venice Boulevard, Pacific Avenue, and Dell Avenue. The subject is located approximately ½ mile north of the harbor/marina area in Marina Del Rey; approximately 1-mile west of Lincoln Boulevard; and, approximately 1.5-mile northwest of entrance and exit lanes to the Marina (SR-90) Freeway. The subject site is located within a residential area that is comprised of both single-family residential and multiple-family (low-rise) properties.

As of the effective date of value for this assignment, the subject is known to be one of several city owned properties being considered for sale and subsequent redevelopment for multiple-family residential.

Conditions of the Assignment – Our analysis of the subject property included an on-site inspection of the subject property, research of general data relating to the subject locale, research of improved sales in the subject district, as well as research of other market-related influences affecting the subject property. The subject is being valued for land value without regard to the existing improvements. As is the convention in the market, we have considered solely the Sales Comparison Approach to value. At the request of our client, we have also estimated market ground lease rental rates

appropriate to the subject (see Addenda). The methodology and data utilized in our valuation of the subject property are detailed in the Valuation Section of this appraisal report.

This assignment is subject to the following Hypothetical Conditions, Extraordinary Assumptions, and Special Limiting Conditions.

Hypothetical Conditions

1. As of the effective date of value for this assignment, the subject parcel is zoned OS-1XL (Open Space – Extra Limited Height District). Per our client, this assignment is based on an anticipated rezoning of the subject site to R3 (Multiple Dwelling Zone) with a 153 dwelling unit quantity (based on site area). Height restrictions were not provided by our client for this assignment; however, based on the height district of surrounding properties a -1 height limitation has been applied (*see Special Limiting Condition Number 1*). Therefore, this appraisal assignment is based on the hypothetical condition that (a) the subject site is zoned R3-1 with an allowed density of 153 units, as of the effective date of value; and, (b) that there is no requirement to replace/maintain any portion of the existing public parking.

Extraordinary Assumptions

1. The subject site is currently utilized by the City of Los Angeles as a 177-space public parking lot operated by 'Parking Concepts Inc.' According to LADOT, there is only one other public owned parking lot similarly located as the subject site proximate to the beach within Venice – Lot #761 at 1608 S Pacific Avenue. Alternative parking is known to be very limited in the area, which suggests that there would be strong resistance by the local community to losing an available public parking lot. Such public resistance in beach communities has been known to stymie redevelopment projects. Therefore, this appraisal is based on the Extraordinary Assumption that redevelopment of the subject site would be viewed by developers as being as reasonably likely as other areas/communities within the city.

Special Limiting Conditions

1. No height limits for the subject site's anticipated rezoning to R3 were identified by our client. Given the nature of the subject's immediate neighborhood, it is considered that a height limit that reflects that applicable to the subject's neighboring properties would logically be required. Therefore, for this assignment we have applied Height District 1 restrictions to the subject.
2. Our client has defined a residential density for the subject's anticipated rezoning to R3 (Multiple Dwelling Zone) of 153 units. Therefore, this appraisal is based on

the subject being zoned by the City of Los Angeles for redevelopment as a 153 unit residential project.

Significant Appraisal Issue – None to report

As a result of our investigation and analysis, it is our opinion that the **Market Value**, of the **Fee Simple Estate** in the subject property, without regard to the existing improvements, **subject to Hypothetical Condition Number 1**, and as of the effective date of valuation, is:

THIRTY FOUR MILLION DOLLARS

\$34,000,000

Our analyses and conclusions are based on the Scope of Work described above and the General Assumptions and Limiting Conditions that are made a part of this appraisal report. Special attention should be given to the noted Special Limiting Conditions and Extraordinary Assumptions noted above.

Thank you for the opportunity to have been of service to your company. If you should require any further assistance or should you have any questions regarding the material discussed in this report, please do not hesitate to call.

Sincerely,

CURTIS-ROSENTHAL, INC.



Thomas J. Meighen CGREA
CA #AG034421



David M. Rosenthal, MAI, FRICS
CA #AG001641

APPRAISAL REPORT

Venice Dell Pacific Parking Lot (#731)
125 S Venice Boulevard
Venice, CA 90291

File Number: 12384-18



April 19, 2018

City of Los Angeles, General Services Department
C/o Mr. Dave Roberts
111 E 1st Street, City Hall South
Los Angeles CA 90012

RE: Appraisal Report:
Venice Dell Pacific Parking Lot (#731)
125 S Venice Boulevard
Venice, CA 90291
File Number: 12384-18

Dear Mr. Roberts,

Per your request, we have appraised the above referenced property. Our appraisal is intended to conform to the Uniform Standards of Professional Appraisal Practice (USPAP).

Our analyses and conclusions are contained in this **Appraisal Report**, which is intended to comply with the reporting requirements set forth under USPAP Standards Rule 2-2.

In conformance with the Scope of Work rule of USPAP, the sections below describe the Scope of Work for this assignment.

Client - The client for this assignment is the City of Los Angeles, General Services Department, C/o Mr. Dave Roberts.

Intended Users - The intended user of this report is exclusively the client stated above. There are no other authorized users of this report.

Intended Use - The intended use of this report is to assist with internal asset monitoring.

Purpose of This Assignment - The purpose of this assignment is to develop an opinion of the **Market Value**, of the **Fee Simple Estate** in the subject property, without regard to the existing improvements and **subject to Hypothetical Condition Number 1**, as of the effective date of value. *(Please see the Addenda to this report for the definition of Market Value.)*

Effective Dates of Value - The date of value for this assignment is April 18, 2018, which is the date of value coinciding with the date of our last inspection of the subject.

Relevant Characteristics of the Subject Property – The improved property being appraised, and which is the subject of this report is a multiple cornered (full block) parcel assemblage located on the northeast corner of S Venice Boulevard and Pacific Avenue, within the City of Los Angeles (community of Venice), in Los Angeles County, California. The subject is addressed on public records to include 125 S Venice Boulevard, 206 N Venice Boulevard, and 210 N Venice Boulevard; however, the City of Los Angeles' 'Zone Information & Map Access System' (ZIMAS) shows the subject as encompassing physical addresses of 2102 S Pacific Avenue, 128 S Pacific Avenue, 319 S Venice Boulevard, and 128/200/208/210/212/216/302 North Venice Boulevard,. Unless otherwise specified, the subject is referred to herein as 125 S Venice Boulevard.

The subject property, which is legally described within this report, comprises an irregular shaped, multiple cornered, non-contiguous, assembled site of 115,519 square feet (*per public records*). As of the date of our onsite inspection, the bulk of the subject site was being utilized by the City of Los Angeles as a public parking lot operated by 'Parking Concepts Inc.'. The subject site is developed with asphalt paving, perimeter wall, and a utility building approximating 3,900 sf.

The subject is located within the North Venice-Canals district. The northern terminus of 'Grand Canal' bisects the subject site into two distinct areas, one essentially rectangular shaped, ±45,606 sf area located on the western boundary of the site at Pacific Avenue, and one irregular shaped, ±69,913 sf area being the remainder of the site. There is a concrete bridge spanning the 'Grand Canal' allowing vehicular and pedestrian crossings over the canal and between the areas of the subject site.

The subject site has frontage on four roadways – N Venice Boulevard, S Venice Boulevard, Pacific Avenue, and Dell Avenue. The subject is located approximately ½ mile north of the harbor/marina area in Marina Del Rey; approximately 1-mile west of Lincoln Boulevard; and, approximately 1.5-mile northwest of entrance and exit lanes to the Marina (SR-90) Freeway. The subject site is located within a residential area that is comprised of both single-family residential and multiple-family (low-rise) properties.

As of the effective date of value for this assignment, the subject is known to be one of several city owned properties being considered for sale and subsequent redevelopment for multiple-family residential.

Conditions of the Assignment – Our analysis of the subject property included an on-site inspection of the subject property, research of general data relating to the subject locale, research of improved sales in the subject district, as well as research of other market-related influences affecting the subject property. The subject is being valued for land value without regard to the existing improvements. As is the convention in the market, we have considered solely the Sales Comparison Approach to value. At the request of our client, we have also estimated market ground lease rental rates appropriate

to the subject (see Addenda). The methodology and data utilized in our valuation of the subject property are detailed in the Valuation Section of this appraisal report.

This assignment is subject to the following Hypothetical Conditions, Extraordinary Assumptions, and Special Limiting Conditions.

Hypothetical Conditions

1. As of the effective date of value for this assignment, the subject parcel is zoned OS-1XL (Open Space – Extra Limited Height District). Per our client, this assignment is based on an anticipated rezoning of the subject site to R3 (Multiple Dwelling Zone) with a 153 dwelling unit quantity (based on site area). Height restrictions were not provided by our client for this assignment; however, based on the height district of surrounding properties a -1 height limitation has been applied (see *Special Limiting Condition Number 1*). Therefore, this appraisal assignment is based on the hypothetical condition that (a) the subject site is zoned R3-1 with an allowed density of 153 units, as of the effective date of value; and, (b) that there is no requirement to replace/maintain any portion of the existing public parking.

Extraordinary Assumptions

1. The subject site is currently utilized by the City of Los Angeles as a 177-space public parking lot operated by 'Parking Concepts Inc.' According to LADOT, there is only one other public owned parking lot similarly located as the subject site proximate to the beach within Venice – Lot #761 at 1608 S Pacific Avenue. Alternative parking is known to be very limited in the area, which suggests that there would be strong resistance by the local community to losing an available public parking lot. Such public resistance in beach communities has been known to stymie redevelopment projects. Therefore, this appraisal is based on the Extraordinary Assumption that redevelopment of the subject site would be viewed by developers as being as reasonably likely as other areas/communities within the city.

Special Limiting Conditions

1. No height limits for the subject site's anticipated rezoning to R3 were identified by our client. Given the nature of the subject's immediate neighborhood, it is considered that a height limit that reflects that applicable to the subject's neighboring properties would logically be required. Therefore, for this assignment we have applied Height District 1 restrictions to the subject.
2. Our client has defined a residential density for the subject's anticipated rezoning to R3 (Multiple Dwelling Zone) of 153 units. Therefore, this appraisal is based on the subject being zoned by the City of Los Angeles for redevelopment as a 153 unit residential project.

Significant Appraisal Issue – None to report

As a result of our investigation and analysis, it is our opinion that the **Market Value**, of the **Fee Simple Estate** in the subject property, without regard to the existing improvements, **subject to Hypothetical Condition Number 1**, and as of the effective date of valuation, is:

THIRTY-FIVE MILLION EIGHT HUNDRED THOUSAND DOLLARS

\$35,800,000

Our analyses and conclusions are based on the Scope of Work described above and the General Assumptions and Limiting Conditions that are made a part of this appraisal report. Special attention should be given to the noted Special Limiting Conditions and Extraordinary Assumptions noted above.

Thank you for the opportunity to have been of service to your company. If you should require any further assistance or should you have any questions regarding the material discussed in this report, please do not hesitate to call.

Sincerely,

CURTIS-ROSENTHAL, INC.



Thomas J. Meighen MAI
CA #AG034421



David M. Rosenthal, MAI, FRICS
CA #AG001641

APPRAISAL OF



Vacant Land APN# 4238-024-900, 902, 903, 905-911

LOCATED AT:

Venice Dell Pacific Site
Los Angeles, CA 90291

FOR:

LA Housing & Community Investment
1200 W 7th Street, 8th Floor
Los Angeles, CA 90017

BORROWER:

AS OF:

December 22, 2020

BY:

Hee K. Yi
Certified General Appraiser

12/28/2020

Gohar Paronyan
LA Housing & Community Investment
1200 W 7th Street, 8th Floor
Los Angeles, CA 90017

Dear Ms. Paronyan,

At your request, I completed my analysis of the property identified as:

Venice Dell Pacific Site
APN# 4238-027-900, 902, 903, and 905 to 911
Los Angeles, CA 90291

Regardless of who pays for the attached appraisal, it has been prepared for our client: Los Angeles Housing & Community Investment Department, but its funding partners may review the appraisal as part of their program oversight activities. The client intends to use this report to estimate the fair market value of the site as of December 22, 2020 for the proposed acquisition of the fee simple property rights for a Federally assisted project. The vacant site was inspected on December 22, 2020 . The date of value is December 22, 2020.

The attached Summary Appraisal Report has been prepared in accordance with your standards as well as the reporting requirements and the Uniform Standards of Professional Appraisal Practice (USPAP). The final value reported in the attached report is the "AS IS" value as of date of value.

This appraisal may not be used or relied upon by anyone other than the above-mentioned client for any purpose whatsoever, without the express written consent of the appraiser. If the client provides anyone else with a copy of this report, such as a borrower etc., that person(s) may not be entitled to rely upon its contents when making any decisions about the property. As such the following limiting condition applies:

"Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, new, sales, or other media without the written consent and appeal of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI, SRA or SRPA designation. Furthermore, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of any one, but the client, the client shall make such party(s) aware of all the assumptions and limiting conditions of the assignment."

This appraisal assignment is a Summary Appraisal Report under Standards Rule 2-2(b), as defined in the Uniform Standards of Professional Appraisal Practice (USPAP) of an appraisal performed under Standard Rule 1 of the USPAP.

Should you have any questions regarding the analysis or conclusions of value found in the attached report please contact me.

Sincerely,



Hee K. Yi
AG 035644 Expires 11/16/2022
Certified General Appraiser

Borrower:	File No.: 20019000
Property Address: Venice Dell Pacific Site	Case No.:
City: Los Angeles	State: CA Zip: 90291
Lender: LA Housing & Community Investment	

INTENDED USE

The client intends to use this report to estimate the fair market value of the site as of December 22, 2020.

INTENDED USERS

Gohar Paronyan/Los Angeles Housing & Community Investment Department are the intended users of this report.

TYPE OF APPRAISAL REPORT

As specified in the most current version of the Uniform Standards of Professional Appraisal Practice (USPAP), this is a Summary Appraisal Report.

DATE OF INSPECTION AND DATE OF REPORT

The vacant site was inspected on December 22, 2020. The date of report is December 28, 2020.

COMPETENCY PROVISION

As of the date of this assignment, Hee K. Yi meets the continuing education requirements for a Certified General Appraiser for the State of California.

CONFIDENTIALITY

The appraiser must be aware of, and comply with, all confidentiality and privacy laws and regulations applicable in an assignment. Disclosure of confidential information is permissible to professional peer review committees, except when such disclosure to a committee would violate applicable law or regulation. Confidential Information means information that is either identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or classified as confidential or private by applicable law or regulation.

SCOPE OF THE APPRAISAL ASSIGNMENT

Data sources include NDC data, MLS, Loopnet, and appraiser's files. Whenever possible, sales were verified with the buyer, seller, real estate agent, or lender. If data could not be verified through a party involved in the transaction and the data appeared to be consistent with other data, it was used in the analysis. In all cases of data verification, I assumed that the information obtained is correct and accurate.

The appraiser took pictures of the subject site. Scenes of the subject street are also included.

The appraiser relied on the County Assessor's information to ascertain the subject's lot size. The appraiser also relied on the County Assessor's information in order to report the APN number and the legal description. If the client provides a title report, it is reviewed and taken into consideration with respect to easements, covenants, restrictions, and other encumbrances. The appraiser did not research the presence of such items independently. If a title report is not provided by the client, the appraiser will rely on the observation of any apparent easements or restrictions.

The appraiser viewed the neighborhood to ascertain its boundaries. The appraiser noted any positive or negative external features that may have an impact on value. The appraiser selected comparable sales data that is deemed appropriate for this assignment. Data was selected within 3-6 months from date of value. If there is insufficient data, the appraiser searched as far back as 18 months for sales. The appraiser may expand the search for data to other competing neighborhoods, but this is done only when there is insufficient data within the subject's neighborhood. The appraiser also considered listings as a possible comparable in order to reflect current market conditions. The appraiser viewed the data used in this analysis from street and took photographs of each comparable.

The appraisal problem did not warrant an intensive highest and best use study. Given the nature of the subject real estate, my conclusion of highest and best use was based on logic and observed evidence.

The Sales Comparison approach is the most reliable indicator for vacant lots. The Income Approach does not apply to this analysis because there is no ground lease on the subject's site. The Cost Approach is not applied for a vacant lot.

Appraiser: Hee K. Yi Supervisory Appraiser: _____
 Name: _____ Name: _____

Borrower:	File No.: 20019000
Property Address: Venice Dell Pacific Site	Case No.:
City: Los Angeles	State: CA Zip: 90291
Lender: LA Housing & Community Investment	

USPAP MARKET VALUE DEFINITION:

The following market value definition supersedes the definition found in the printed form.

This appraisal has been prepared in accordance with the definition of fair market value as found in App.19-1[03/07]1378CHG-8 Appendix 19.

The price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction, whereby

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider his or her own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto;
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

DEFINITION OF REAL ESTATE TERMS

FEE SIMPLE INTEREST OR ESTATE: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

LEASED FEE ESTATE: An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (leased fee owner) and the leased fee are specified by the contract terms contained within the lease.

ADDITIONAL ASSUMPTIONS

- 1)The appraiser reserves the right to amend this report if undisclosed facts are given to the appraiser after completion of this report.
- 2)The appraiser assumes no responsibility for changes in market conditions which might require a change in the appraised value.

APPRAISER'S HISTORICAL ACTIVITY

10. I have performed no (or specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

ENVIRONMENTAL HAZARDS EXAMPLE: An environmental assessment soil report was not provided but we assumed that there are no environmental problems, which would impact the subject's value.

EXPOSURE AND MARKETING TIME

If a property is properly priced, in reasonably good condition and properly marketed by a local licensed real estate agent, a realistic time on the market and exposure to the market will be 30 to 60 days.

Appraiser: *Hee Young Yi* Supervisory Appraiser: _____
 Name: _____ Name: _____

**GOLD COAST APPRAISALS, INC.
LAND APPRAISAL REPORT**

File No. 20019000

The purpose of this summary appraisal report is to provide the lender/client with an accurate and adequately supported opinion of the market value of the subject property.

CLIENT AND PROPERTY IDENTIFICATION

Property Address: Venice Dell Pacific Site City: Los Angeles State: CA Zip: 90291
 Borrower: _____ Owner of Public Record: LA City County: Los Angeles
 Legal Description: See Attached Addendum
 Assessor's Parcel #: 4238-027-900, 902, 903, and 905 to 911 Tax Year: 2020 R.E. Taxes: 0.00
 Neighborhood Name: _____ Map Reference: 671/J6 Census Tract: 2739.02
 Special Assessments: N/A PUD Yes No HOA: \$ N/A Per Year Per Month
 Property Rights Appraised: Fee Simple Leasehold Other (describe) _____
 Assignment Type: Purchase Transaction Refinance Transaction Other (describe) _____
 Lender/Client: LA Housing & Community Investment Address: 1200 W 7th Street, 8th Floor, Los Angeles, CA 90017

CONTRACT ANALYSIS

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
This is not a sale transaction.
 Contract Price \$: _____ Date of Contract: _____ Is the property seller the owner of public record? Yes No Data Source(s) _____
 Is there any financial assistance (loan charges, sale concessions, gift or down payment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. \$ _____

NEIGHBORHOOD DESCRIPTION

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input checked="" type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	98.0 %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	0.5 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	495 Low	1	Multi-Family	0.5 %
Neighborhood Boundaries: <u>10 Fwy. to the northwest, 405 Fwy. to the east, Manchester Ave. to the south and Santa Monica Bay to the west.</u>								6,800 High	117	Commercial	1.0 %
								1,960 Pred.	73	Other	%

	Good	Aver.	Fair	Poor		Good	Aver.	Fair	Poor
Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Primary Education	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Police/Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overall Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Neighborhood Description: The area is fully developed with single-family and multi-family residential in secondary interior streets. Commercial improvements dominate the major thoroughfares with easy access to freeways, shopping centers, Beach, and entertainment. Schools and parks are in the vicinity making it desirable to families.

Market Conditions (including support for the above conclusions): The local economy had improved since the subprime mortgage crisis occurred. However, since the outbreak of the Covid-19, the economy has stagnated and the unemployment rate has risen rapidly. Commercial real estate values are decreasing due to this effect, but single family housing values are still increasing. Land values have decreased since Covid-19 has occurred.

SITE DESCRIPTION

Dimensions: See attached plat map Area: 115,480 Acres Sq.Ft. Shape: Irregular View: None
 Zoning Classification: OS Zoning Description: Open Space
 Zoning Compliance: Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe) _____
 Uses permitted under current zoning regulations: See Attached Addendum
 Highest & Best Use: Park and Recreation Facilities
 Describe any improvements: The subject site is currently used as parking lot.
 Do present improvements conform to zoning? Yes No No improvements If No, explain: _____
 Present use of subject site: Parking Lots and apartment Current or proposed ground rent? Yes No If Yes, \$ _____
 Topography: Level Size: 115,480 sq.ft. Drainage: Adequate
 Corner Lot: Yes No Underground Utilities: Yes No Fenced: Yes No If Yes, type: _____
 Special Flood Hazard Area Yes No FEMA Flood Zone: X FEMA Map #: 060137/06037C/1751F FEMA Map Date: 09/26/2008

UTILITIES	Public	Other	Provider or Description	Off-Site Improvements	Type/Description	Public	Other
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street Surface	<u>Concrete</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street Type/Influence	<u>Major</u>		
Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Curb/Gutter	<u>Concrete</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Sidewalk	<u>Concrete</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>		Street Lights	<u>Average</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>		Alley	<u>None</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Are the utilities and off-site improvements typical for the market? Yes No If No, describe: _____
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe:
A title report has not been reviewed for any adverse easements, encroachments, or deed restrictions. A visual inspection of the site revealed that there are typical utility easements present. No encroachments were readily observable from the public street.

Site Comments: The APN 900, 902, 909, 911 are street to street rectangular lots which are located on the west side of the Venice Canals. These lots have approximately 233 feet of frontage along North Venice Blvd., 195 feet along Venice Canals, 195 feet along Pacific Ave. and 233 feet along South Venice Boulevard. The APN 903, 905, 906, 907, 908, 909, and 910 are also street to street lots which are located on the east side of the Venice Canals. These lots have approximately 273.31 feet along North Venice Blvd., 195 feet along Venice Canals, 440 feet along South Venice Blvd. and 100 feet along Dell Avenue. There are an 3,921 sq.ft. of old apartment and the rest of the lots are used as parking lots. No adverse easements or encroachments noted at the time of inspection. All utilities are available to the site and the site has good utility. The client provided the covenants and the site history and the financing history.

GOLD COAST APPRAISALS, INC.
LAND APPRAISAL REPORT

File No. 20019000

There are **N/A** comparable sites currently offered for sale in the subject neighborhood ranging in price from \$ **0** to \$ **0**

There are **9** comparable sites sold in the past 12 months in the subject neighborhood ranging in sale price from \$ **1,400,000** to \$ **4,500,000**

COMPARABLE SALES

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address	Venice Dell Pacific Site	1041 Bundy Dr.		1504 N. Kenter Ave.		1510 N. Tigertail Rd.	
City/ST/Zip	Los Angeles	Los Angeles, CA 90049		Los Angeles, CA 90049		Los Angeles, CA 90049	
Proximity to Subject		6 miles		6 miles		6 miles	
Data Source(s)	Realist and NDC Data	MLS, Realist and NDC Data		MLS, Realist and NDC Data		MLS, Realist and NDC Data	
Verification Source(s)		MLS#18-342702, Doc#937007		MLS#20-644144, Doc#1571291		MLS#20-556528, Doc#270959	
Sale Price	\$		\$ 3,437,500		\$ 2,895,000		\$ 1,400,000
Price/	\$ 0.00	\$ 62.27		\$ 70.98		\$ 61.75	
Date of Sale (MO/DA/YR)	N/A	09/12/2018		12/03/2020		03/09/2020	
Days on Market	N/A	91 days		38 days		20 days	
Financing Type	N/A	285% 1st Conv		All cash sale		Not Applicable	
Concessions	N/A	None		None		None	
Location	Suburban	Similar		Similar		Similar	
Property Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site Size Sq.Ft.	115,480	55,204	-2.41	40,784	-2.99	22673	-3.71
View	None	City		City		City	
Topography	Level	Sloping		Sloping		Sloping	
Available Utilities	elec,gas,wtr,ss	elec,gas,wtr,ss		elec,gas,wtr,ss		elec,gas,wtr,ss	
Street Frontage	Adequate	Adequate		Adequate		Adequate	
Street Type	Street to street	Secondary (Interior)		Secondary (Interior)		Second (Interior)	
Water Influence	Adequate	Adequate		Adequate		Adequate	
Fencing	None	Yes		Yes		Yes	
Improvements	None	None		None		None	
Zoning	OS(open space)	R1(single family)		R1(single family)		R1(single family)	
Plan		None		Plan		None	
Net Adjustment (Total, in \$)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 29.41		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 41.99		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 34.71	
Adjusted sales price of the Comparable Sales (in \$)		Net Adj. -47.2% Gross Adj. 63.3% \$ 32.86		Net Adj. -59.2% Gross Adj. 67.6% \$ 28.99		Net Adj. -56.2% Gross Adj. 65.9% \$ 27.04	

The Appraiser has researched the transfer history of the subject property for the past 3 years and the listing history of the subject for the past 12 months prior to the effective date of this appraisal. The appraiser has also researched the transfer and listing history of the comparable sales for the past 12 months.

The appraiser's research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of the appraisal.

Data Sources: **NDC Data and Realist**

The appraiser's research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Sources: **NDC Data and Realist**

The appraiser's research did did not reveal any prior listings of the subject property or comparable sales for the year prior to the effective date of the appraisal.

Data Sources: **NDC Data and Realist**

Listing/Transfer History (if more than two, use comments section or an addendum.)	Transfer/Sale (ONLY) of the Subject in past 36 months:	Listing and Transfer history of Comp 1 in past 12 months:	Listing and Transfer history of Comp 2 in past 12 months:	Listing and Transfer history of Comp 3 in past 12 months:
	\$ N/A Not Available	\$ N/A Not Available	\$ N/A Not Available	\$ N/A Not Available
	\$	\$	\$	\$

Subject Property Is Currently Listed For Sale? Yes No Data Source:

Current Listing History	List Date	List Price	Days on Market	Data Source
	Not Available	\$ Not Available	Not Available	Not Available

Subject Property has been listed within the last 12 Months? Yes No Data Source:

12 Month Listing History	List Date	List Price	Days on Market	Data Source
	Not Available	\$ Not Available	Not Available	Not Available
		\$		

Comments on Prior Sales/Transfers and Current and Prior Listings: **The history of each comparable is typical in this mature and stable neighborhood.**

Summary of the Sales Comparison Approach: **Land values have decreased since Covid-19 has occurred. Therefore a negative adjustment is applied to Comp 3. Comp 2 is a dated sale thus positive adjustment is applied. Typically, smaller land sizes sell for a higher price per square foot than larger land sizes. All the comparables require downward adjustment for their smaller lot sizes. The subject property is OS zoning which doesn't allow residential or commercial building on the site. There are no comparables which have the same zoning as the subject property within the similar market area and also in the city of Los Angeles and bay area since 2018. Therefore all the comparables used for this analysis are R1 zoning in similar market area because R1 zoning is low density residential with lowest value among the residential and commercial zonings. Based on the research the properties with OS zoning sells about 50% lower than R1 zoning thus \$30 of adjustment is applied to all the comparables. All the comparables inferior to the subject in topography and lot orientation thus they require upward adjustments. Most weight is given to Comp 2 because it is the most recent sale transaction. Sale 2 needs a downward adjustment because it has a plan.**

Value estimate: \$29 x 115,480 sq.ft. = \$3,348,920

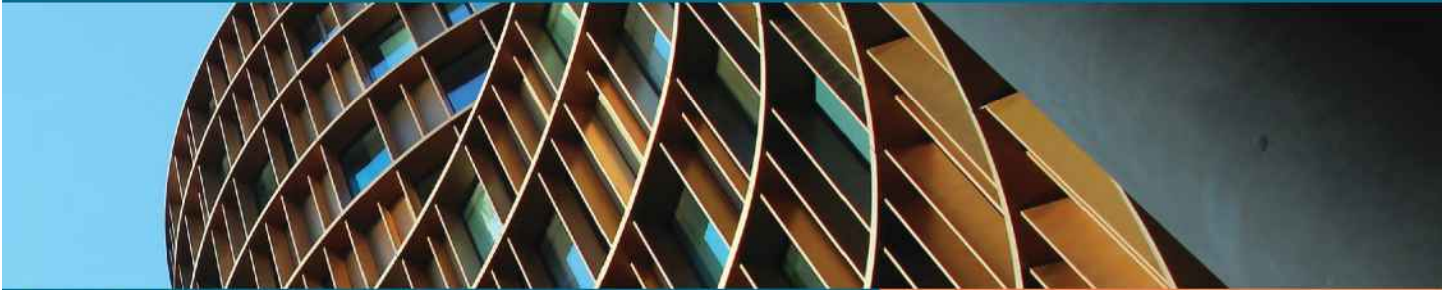
Rounded \$3,349,000

Reconciliation Comments: **The Sales Comparison approach is the most reliable indicator for vacant lots. The Income Approach does not apply to this analysis because there is no ground lease on the subject's site. The Cost Approach is not applied for a vacant lot.**

This appraisal is made "as is", or subject to the following conditions or inspections:

Based on a complete visual inspection of the subject site and those improvements upon said site, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of market value, as defined, of the real property that is the subject of this report is:

Opinion of Market Value: \$ **3,349,000** as of: **December 22, 2020**, which is the date of inspection and the effective date of this appraisal.



The insight you need. The independence you trust.

Venice Dell Community

2102-2120 South Pacific Avenue; 116-302 East North Venice Boulevard; 2106-2116 South Canal Street; 319 East South Venice Boulevard
Los Angeles, California 90291

BBG File #0125006698

Prepared For

Ms. Sarah Letts
Hollywood Community Housing Corp.
5020 Santa Monica Boulevard
Los Angeles, CA 90029-2412

Report Date

April 15, 2025

Prepared By

BBG, Inc., Costa Mesa Office
3070 Bristol Street, Suite 615
Costa Mesa, CA 92626
714-415-4750

Client Manager: Mark Haskell
mhaskell@bbgres.com

BBG Website

bbgres.com

April 15, 2025

Ms. Sarah Letts
Hollywood Community Housing Corp.
5020 Santa Monica Boulevard
Los Angeles, CA 90029-2412

Re: Appraisal of Real Property
Venice Dell Community
2102-2120 South Pacific Avenue; 116-302 East North Venice Boulevard; 2106-2116 South Canal Street;
319 East South Venice Boulevard
Los Angeles, California 90291
BBG File No. 0125006698

Dear Ms. Letts:

In accordance with your authorization, we have conducted the investigation necessary to form an opinion of the As Is Market Value of the Fee Simple estate in the subject property, as referenced above.

The subject is proposed for an affordable housing property consists of a 2-building, 3-story Multifamily built in 2027 containing 120 dwelling units (72,000 square feet NRA) on a 2.16-acre parcel of land. Building construction consists of a Reinforced concrete. The subject property is currently Land being used as parking lot by the City of Los Angeles.

This report was prepared for Hollywood Community Housing Corp. (client) and is intended only for its specified use. The appraisal report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable market data, the results of the investigation, and the reasoning leading to the conclusions set forth.

This appraisal report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be in compliance with the minimum standards of the Uniform Standards of Professional Appraisal Practice and any additional standards of our client Hollywood Community Housing Corp. (client). Our client may read and rely upon the findings and conclusions of this report.

Note: Our opinion of market value is subject to the following Extraordinary Assumptions and/or Hypothetical Conditions:

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

- Extraordinary Assumption(s)**
- We are appraising the subject under the extraordinary assumption that information provided by the Client and from public resources is accurate. We have not been provided a survey of the subject property. If the actual size of the land or building is significantly different than that utilized within this report, the value conclusions could be impacted.
 - We are appraising the subject under the extraordinary assumption that the ownership of the subject property is currently the City of Los Angeles and that the future development on the site will be an affordable and supportive housing development which will afford the subject property exemption from all real property taxes. For purposes of this valuation analysis, we assume that the exemption status of the property will preclude real estate taxes.
 - We are appraising the subject property assuming all rental and income restrictions and subsidy agreements remain in effect through a typical hold period. We assume that the provided data regarding any pre-set rents are current and that the utility allowances provided are current.

Hypothetical Condition(s) This appraisal employs no hypothetical conditions.

Based on our inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	April 4, 2025	\$25,850,000

Based on recent market transactions, as well as discussions with market participants, a sale of the subject property at the above-stated opinion of market value would have required an exposure time of approximately 6 months. Furthermore, a marketing time of approximately 6 months is currently warranted for the subject property.

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion set forth to be considered valid.

Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,
BBG, Inc.



Al Khoshbin
 CA Certified General Appraiser
 License #: AG044624
 714-415-4750
 akhoshbin@bbgres.com



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
Real Estate
Affordable Housing
Economic Development

BERKELEY
A. Jerry Keyser
Debbie M. Kern
David Doezeema

LOS ANGELES
Kathleen H. Head
James A. Rabe
Gregory D. Soo-Hoo
Kevin E. Engstrom
Julie L. Romey
Tim R. Bretz

SAN DIEGO
Paul C. Marra

To: Rick Tonthat, Finance Development Officer II
Los Angeles Housing Department

From: Julie Romey

Date: May 19, 2022

Subject: Venice Dell Community – Section 7.27.3 Reuse Analysis

In accordance with Section 7.27.3 of the City of Los Angeles (“City”) Administrative Code (“Section 7.27.3”), Keyser Marston Associates, Inc. (“KMA”) has prepared a reuse analysis for the proposed transaction to ground lease the 93,860 square foot City-owned site (“Site”) located on East Venice Boulevard, bifurcated by the Grand Canal, to Venice Community Housing Corporation, a non-profit corporation, and Hollywood Community Housing Corporation, a non-profit corporation (jointly considered the “Developer”).

The proposed mixed-use project is to include 140 residential units and 6,220 square feet commercial space in two buildings (“Project”), which will be separated by the Grand Canal. The Project will also include a 105-space parking garage for the use of the residential and commercial tenants. The City’s Department of Transportation (“DOT”) will develop, own and operate a 244-space public parking garage (“City Garage”) on a 21,620 square foot parcel (“DOT Site”) that will be ground leased to the Developer.

EXECUTIVE SUMMARY

KMA reviewed the “Disposition and Development Agreement Key Terms and Conditions” document (“Agreement”) that is to be executed by the City and Developer as well as the updated pro forma for the proposed Project dated January 12, 2022. KMA has identified the following City Conditions that have significant impacts on the land value:

1. Long-term affordability covenants that will restrict 136 of the units to households earning 120% of the Los Angeles County area median income (“AMI”) or below;
2. State and federal prevailing wage requirements;

3. The Project will be targeted to families, of which 50% of the affordable units are to be set aside as permanent supportive housing (“PSH”) units for housing the homeless and 34 units will have an artist preference;
4. Accessibility requirements; and
5. Additional costs incurred due to the proposed funding sources and California Coastal Commission requirements.

The following summarizes the KMA findings and conclusions based on the analysis:

Fair Market Rent	\$136,097/Year
Residential Ground Lease Rent	\$1/Year
Commercial Ground Lease Rent	50% Residual Receipts
Fair Reuse Rent	\$0 (Residential and Commercial Components)
Conclusion	The proposed Ground Lease Rent meets the Section 7.27.3 requirement that the City will receive at least the Fair Reuse Rent for the Site.

BACKGROUND STATEMENT

In 2016, the Site was identified as a potential site for permanent supportive housing has been approved by Council Office 11 as an Affordable Housing Opportunity Site. In response to a Request for Qualifications and Proposals (“RFP/Q”) issued by the CAO. The City Council approved (Council File: 16-0600-S145) the selection of the Developer for the purpose of creating a full development plan and negotiating terms of a DDA and/or ground lease under an Exclusive Negotiation Agreement (“ENA”) dated January 12, 2017, and the Developer provided a \$50,000 good faith, no-refundable site control fee. After several extensions, the ENA will expire on January 1, 2023.

The entitlements for the Project are nearing completion and approval of the two City ordinances needed to implement the General Plan Amendment is anticipated to occur in June 2022. The final step in the process, to have the Coastal Commission approve the Coastal Permit, is anticipated to occur in July 2022.

The Site is currently improved with 196 surface parking spaces operated by DOT and one multi-family residential structure that includes four units, which are managed by GSD. In accordance with the Mello Act, the four units will be replaced in the Project.

SECTION 7.27.3 ANALYSIS

Section 7.27.3 allows LAHD to convey any interest owned or controlled by the City in any real property below its fair market value, subject to the City Council making a finding that the conveyance at the price with the terms and conditions imposed thereon serves a public purpose. The following provides the appropriate findings:

Fair Market Value / Rent at Highest and Best Use

On December 22, 2020, Gold Coast Appraisals, Inc. (“Appraiser”) provided a fair market value appraisal for the Site plus the 21,620 square feet of land area that will be retained by DOT for the City Garage at the highest and best use. The Site has an Open Space zoning designation that allows for parks and recreation facilities, nature reserve, closed sanitary landfill sites, public water supply reservoirs, and water conservation area. Therefore, the highest and best use was determined to be a park and recreation facilities.

Based on the Comparable Sales Approach, the fair market value at the highest and best use is estimated at \$3,349,000, or approximately \$29 per square foot of land. Assuming only 93,860 square feet of the land area appraised will be conveyed to the Developer through a ground lease, KMA applied the \$29 per square foot land value estimated by the Appraiser to the Site to arrive at a fair market value of \$2,721,940 (“Fair Market Value”). Currently, ground lease rates are typically set at approximately 5.00% of the fair market value of the Site to establish the fair market ground rent. KMA estimates the Fair Market Ground Rent for the Site to be as follows:

Fair Market Value	\$2,721,940
Ground Lease Rate ¹	5.00%
Fair Market Ground Rent	\$136,097

¹ The current ground rent rate is based on KMA’s experience with market rate ground lease transactions in Southern California.

Proposed Ground Lease Rent

In accordance with the Agreement, the Site will be leased to the Developer based on the following ground lease terms:

Initial Term	55 Years
Extensions	Four 11-Year Extensions
Residential Ground Rent	\$1/Year if Affordability Restrictions are in Place
Commercial Ground Rent	50% of Commercial Residual Receipts if Use Restrictions are in Place

KMA estimates the residential rent plus commercial residual receipts payments that the City may receive during the term of the ground lease on a present value basis assuming an 8% discount rate. It should be noted that the affordability and commercial use restrictions are assumed to remain in effect throughout the 99 year ground lease period.

Projected Ground Lease Payments over 99-Year Ground Lease Term	
Residential Ground Rent	\$12
Commercial Ground Rent	\$2,660,000
Present Value of Total Estimated Ground Rent Payments	\$2,660,012

City Conditions

KMA reviewed the Agreement and the pro forma provided by the Developer dated January 12, 2022 (Developer Pro Forma). The following are the terms and assumptions that impact the value of the Site:

PROJECT DESCRIPTION

The mixed-use Project will be constructed in two structures, on either side of the Grand Canal. The building on the west side of the canal will include a four-level, 105-space parking garage with three stories of residential/commercial improvements wrapping the parking garage. The building on the east side of the canal will include the five level, 244-space City Garage, which will be developed and financed in a separate transaction between the City and the Developer. The Project will provide a total of 140 residential units consisting of 136 affordable units of which 68 units will be PSH units and 34 units will have an artist preference. The Project will also include 6,022 square feet of gross commercial space that will be restricted to provide community benefits.

AFFORDABILITY RESTRICTIONS

With four units set-aside for on-site managers’ units, the remaining 136 units will be restricted by the Agreement with the following income and affordability requirements for 55-years from the Certificate of Occupancy (“COO”) as follows:

	Income Restriction	Rent Restriction	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
Moderate Income	§50093 / Schedule VI	§50053 / Schedule VI	89	25	22	136
Total Units			89	25	22	136

In addition to the affordability restrictions that will be imposed on the Project by the ground lease, the units will also be restricted by the City’s Transit-Oriented Communities Tier 4 (“TOC Tier 4”) requirements, the HOME loan provided by the City, the State of California department of Housing and Community Development (“HCD”) funding sources, the federal low income housing tax credits (“4% Tax Credits”) allocated by the Tax Credit Allocation Committee (“TCAC”), and the proposed tax-exempt bonds funded by the California Debt Limit Allocation Committee (“CDLAC”). Since the most restrictive of the affordability restrictions will be imposed, the proposed affordability level of the Project is estimated at 40% of AMI.

COMMERCIAL USE RESTRICTIONS

The inclusion of the Commercial Component is in response to Coastal Commission requirement to include some visitor-serving purposes in residential sites and from community engagement. The Commercial Component will be restricted with the following use restrictions for 55-years from the Certificate of Occupancy (“COO”) as follows:

	Commercial Space West of Canal	Commercial Space East of Canal
Est. Leasable Area	3,065 Sf	2,875 Sf
Intended Use	Commercial & Restaurant Tenants	Commercial Art Studio Space
Priorities	Small businesses, MBE-WBE businesses, and/or micro enterprises that provide small scale, neighborhood, and visitor- serving retail	Small businesses, MBE-WBE businesses, and/or micro enterprises that provide small scale, neighborhood, and visitor- serving retail
Rent Restrictions	N/A	Limited to an amount equal to actual occupancy costs such that the net rent is effectively \$0.

HOUSING RELOCATION / REPLACEMENT REQUIREMENTS

The Site is currently including an existing residential multi-family building with four units that are owned and operated by GSD. In May 2020, the four units were occupied, and a Relocation Plan was prepared for the Developer by Shober Relocation Consulting, Inc. At the time, there was no over-crowding issues with the units. The four-plex will be replaced in the Project. The Relocation Plan estimated the total relocation costs to be \$377,350 for relocating the tenants in fiscal year 2020/21. The Developer has budgeted \$400,000 for permanent relocation costs, or \$100,000 per household.

LABOR RATES

The Project will incur federal Davis Bacon and State of California prevailing wages as required by Project funding sources and Measure JJJ labor requirements related to a skilled and trained workforce will also be required due to the General Plan Amendment. It is assumed that the Project will not be required to enter into a Project Labor Agreement.

ADA REQUIREMENTS

A certified access specialist (“CASp”) will be retained for the Project, and a CASp certificate of inspection will be issued prior to Certificate of Occupancy (“COO”). For COO issuance, the Project shall meet all LADBS’ Disabled Access Services requirements; at least 11 % of all units will comply with the Uniform Federal Accessibility Standards (“UFAS”) requirements for mobility accessibility and at least 4% of the units will comply with the UFAS requirements for visual accessibility and hearing accessibility.

SITE REMEDIATION

The Site is located in a Methane Zone and it is assumed that a passive methane mitigation system will be required. In addition, it is assumed that the existing residential four-plex, which was constructed in 1966, will require lead-based paint and asbestos abatement to mitigate risks during demolition.

SOCIAL SERVICES TO BE PROVIDED AT PROJECT

It is anticipated that Venice Community Housing Corporation will provide 3.4 full-time equivalents (“FTE”) for Intensive Case Management Services (“ICMS”) and 1.6 FTE for Service Coordination (“SC”) for a total of five full-time staff. The services will be provided with offices on-site, as well as multiple services partners, providing comprehensive, integrated services and support for tenants; appropriate clinical supervision and other

oversight will also be provided onsite. Community rooms for services, activities and other tenant amenities and a community arts center.

The onsite SC will provide the following services:

- Coordinate onsite therapeutic and community groups for housing support and stability, mental health support, harm reduction and recovery.
- Oversee volunteer coordination and in-kind donations for on-site services and develop a tenant council.
- Assist tenants with employment and educational pursuits, accompany tenants to appointments, assist with rental subsidy compliance and be a liaison with Property Management.
- Support Case Managers.

Increase in Development Costs Due to City Conditions:

The estimated increase in development costs to be incurred by the Developer as a result of the City Conditions outlined above are estimated as follows:

Estimated Increase in Development Costs Due to Requirements		
Prevailing Wage Requirement	\$7,856,000	Assumes approximately 15% increase in construction costs.
Improved Property	996,000	Includes \$400,000 for relocation costs, \$596,000 for demolition/remediation costs.
Accessibility Requirements	1,047,000	Assumes approximately 2% increase in construction costs.
Target Population	557,000	Includes increase for furnishing PSH units and requirement amenities. Also includes transition reserve for the event the PSH rental subsidy is not available or not renewed after 20 years.
Upgrades due to Funding Source Requirements	1,386,000	Assumes approximately 3% increase in construction costs plus \$345,000 for solar improvements.
Developer Fee / Subsidy Sources	4,7577,000	Assumes an increase in contractor general requirements, overhead/profit, insurance due to the requirements of the TCAC program; \$436,000 increase in

		TCAC program; various fees associated with affordable housing funding sources.
Delays Due to Financing	583,000	Includes interest paid on the predevelopment loans and other holding costs over the several year delay.
Total Estimated Increase in Development Costs	\$17,182,000	\$122,700/Unit

This estimated increase in development costs is approximately 20% of the total estimated development costs.

Loss of Revenue Due to Affordability Restrictions

In addition to the increase in development costs, the City Conditions impose significant long-term affordability and use restrictions on the Site, which also cause a large impact to the land value, as follows:

Estimated Loss in Residential Revenue Due to Requirements		
100% Market Rate Rents	\$4,931,982	The weighted average market rent in the Venice neighborhood that could be achieved by the Project is estimated at \$3,097/Unit/Month. Assumes a 5% vacancy and collection allowance and \$15/Unit/Month for miscellaneous income.
Proposed Rent Restrictions	\$2,209,412	The restricted rents average \$1,302/Unit/Month including 68 PBV subsidy. Assumes a 5% vacancy and collection allowance and \$5/Unit/Month for miscellaneous income.
Total Estimated Loss in Residential Revenue	\$2,722,570	\$1,632/Affordable Unit/Month

Therefore, the affordability restrictions result in a 55% decrease in effective gross income anticipated to be generated by the Residential Component.

Furthermore, the net operating income (NOI) resulting from affordability restrictions imposed on the Project would generate approximately \$14,466,000 in conventional debt and equity if financed through the private capital markets.² This would be insufficient to cover the development costs of the Project and would result in an infeasible project.

² Based on a 6.5% return on investment.

However, the Project’s affordability restrictions and requirements allow the Project to access below market public funding sources. Thus, the Project can obtain approximately \$86,870,000 in public funds which can be used to off-set the increase in development costs and create a feasible project.

Loss of Revenue Due to Commercial Use Restrictions

The City Conditions also impose long-term commercial use restrictions on the Site that cause an impact to the land value, as follows:

Estimated Loss in Commercial Revenue Due to Requirements		
100% Market Rate Rents	\$268,494	Average potentially achievable market rent in the Venice neighborhood is estimated at \$48/Sf/Year. Assumes a vacancy and collection allowance of 10%. ³
Proposed Rent Restrictions	\$122,600	Weighted average rent due to the City Conditions is estimated at \$26 per Sf. Assumes a vacancy and collection allowance of 20%.
Total Estimated Loss in Commercial Revenue	\$145,894	\$25/Sf/Year

Therefore, the commercial use restrictions result in a 54% decrease in effective gross income anticipated to be generated by the Commercial Component.

Furthermore, the NOI resulting from the commercial use restrictions imposed on the Project would generate approximately \$1,635,000 in conventional debt and equity if financed through the private capital markets.⁴ This would be insufficient to cover the development costs of the Commercial Component and would result in an infeasible project. However, the Project’s affordability restrictions generate a total of \$34,671,000 in Tax Credit equity, of which the Commercial Component is able to obtain approximately \$6,261,000 for the Tax Credit equity proceeds and \$800,000 from the Developer’s contribution of Developer fee. As such, the Commercial Component is feasible.

³ Based on Marina Del Rey/Venice Retail Submarket Report by CoStar for the first quarter of 2022.

⁴ Based on a 7.5% return on investment.

Estimated Fair Reuse Value / Rent

Conceptually, the Fair Reuse Value is equal to the difference between the estimated Project costs assuming the restrictions imposed on the Site, including a reasonable developer profit, and the amount of outside investment that can be supported by the Project’s economic characteristics. The following fair reuse valuation analysis of the Site is based on the terms and restrictions detailed in the Agreement and the developer Pro Forma.

ESTIMATED DEVELOPMENT COSTS

The Developer provided a pro forma on January 12, 2022, which KMA reviewed and found to be reasonable given the current high cost environment in Southern California as well as the LAHD underwriting guidelines and the funding sources proposed. The following summarizes the estimated development costs that consider the City Conditions imposed on the Site:

Estimated Total Development Costs		
Acquisition Costs	\$480,000	Includes xxx
Direct Costs	68,168,000	\$/Sf GBA
Permits & Fees	1,359,000	\$/Unit
Developer Fee	3,300,000	Developer will net \$2,500,000 after \$800,000 contribution to the Project.
Other Indirect Costs	6,649,000	Xx% of Direct Costs
Capitalized Reserves	888,000	\$/Unit
Financing Costs	6,026,000	\$/Unit
Total Development Costs	\$86,870,000	\$/ Sf GBA
Residential Component	\$79,809,000	\$570,100/Unit
Commercial Component	\$7,061,000	\$1,173/Sf Commercial

STABILIZED NET OPERATING INCOME – RESIDENTIAL COMPONENT

The following summarizes the effective gross income (EGI) that takes into account the affordability restrictions that will be placed on the Site as well as the 68 Project Based Vouchers (PBVs) that will be provided by the City’s Housing Authority.

Stabilized Effective Gross Income Calculation		
Scheduled Gross Income	\$1,211,772	68 Units restricted to 30% AMI / Homeless households; 68 Units restricted to 50% AMI households.
Section 8 Premium	843,324	68 PBV overhang
Miscellaneous Income	8,160	\$/Unit/Month

Gross Potential Income	\$2,063,256	
(Less) Vacancy Allowance	(103,163)	5% of GPI
Effective Gross Income	\$1,960,093	\$1,167/Restricted Unit/Month

The following summarizes the proposed operating expenses:

Stabilized Total Operating Expenses Calculation		
General Operating Expenses	\$1,043,110	\$7,451/Unit
Property Taxes	16,000	Allowance for Assessments
Tenant Services	140,000	\$1,000/Unit
Minimum HCD Payment	148,589	
Replacement Reserves	70,000	\$500/Unit
Total Operating Expenses	\$1,417,699	\$10,126/Unit

The following reduces the EGI by the calculated operating expenses to arrive at the stabilized Net Operating Income (NOI) for the Residential Component:

Net Operating Income Calculation	
Effective Gross Income	\$1,960,093
(Less) Operating Expenses	(1,417,699)
Net Operating Income	\$542,394

It should be noted that if the Project does not have the 68 PBVs to subsidize the operations of the Project, the NOI would be approximately negative \$258,800. In that case, the Project would not support any conventional financing.

STABILIZED NET OPERATING INCOME – COMMERCIAL COMPONENT

The following summarizes the EGI that takes into account the use restrictions that will be placed on the Site as well.

Stabilized Effective Gross Income Calculation – Residential		
West Commercial Use (NNN)	\$153,250	\$50/Sf/Year
East Commercial Use (NNN)	0	\$0/Sf/Month
Gross Potential Income	\$153,250	
(Less) Vacancy Allowance	(30,650)	20% of GPI
Effective Gross Income	\$122,600	\$21 / Sf GLA / Month

It should be noted that the Project will be constructed on an unsubordinated ground lease. In that case, due to the size of the Commercial Component and the City use conditions, the Project supports little to no conventional financing. In addition, the Commercial Component will not be underwritten by the tax-exempt bonds.

PROPOSED FUNDING SOURCES

The Project plans to obtain the following permanent funding sources to finance the Project:

	Totals	Description
Tax-Exempt Bonds	\$5,488,000	Assumes an allocation by CDLAC, 5.911% interest rate and, 1.15 debt coverage ratio, 20 year term. Commercial income will not be included for the sizing of the bonds.
4% Tax Credit Equity	34,671,000	\$247,650/Unit equity investment
LACDA – AHMP Loan	6,397,000	\$47,000/Affordable Unit
HCD – MHP	30,764,000	\$219,743/Unit
HCD – IIG	7,500,000	\$53,571/Unit
FHLB AHP Loan	1,250,000	\$18,382/PSH Unit
Contributed Developer Fee	800,000	Results in a \$2,500,000 net Developer Fee
Deferred Developer Fee	0	
Total Funding Sources	\$86,870,000	\$836/Sf GBA, \$620,500/Unit
Residential Component	\$79,809,000	\$570,100/Unit
Commercial Component	\$7,061,000	\$1,173/Sf GLA

FAIR REUSE VALUE CALCULATION

The supportable land value for the Project required to be developed under the Agreement and Developer Pro forma, is calculated as follows:

Fair Reuse Value Calculation			
	Residential Component	Commercial Component	Total Project
Total Funding Sources	\$79,809,000	\$7,061,000	\$86,870,000
(Less) Development Costs	(79,809,000)	(7,061,000)	(86,870,000)
Fair Reuse Value / (Financial Gap)	\$0	\$0	\$0

Fair Reuse Ground Rent Calculation			
	Residential Component	Commercial Component	Total Project
Fair Reuse Value	\$0	\$0	\$0
Ground Rent Rate	5%	5%	
Fair Reuse Ground Rent	\$0	\$0	\$0

Thus, it is concluded that the Project cannot support an annual ground rent payment. This is a \$136,097 decrease in ground rent from the estimated Fair Market Ground Rent due to the City Conditions that will be placed on the property. Therefore, the City is providing a below market rate residual receipts payment for the Commercial Component and a \$1 per year flat annual rent payment for the Residential Component.

Public Benefit

Section 7.27.3 also requires an explanation as to what public benefits will be generated due to the ground leasing of the Site, with reference to all supporting facts and materials relied upon in making the explanation.

As previously discussed, if a 140 unit multi-family project were to be restricted so that approximately 50% of the units will house homeless individuals and the remaining 50% of the units is restricted to very-low income households, the Project will not be feasible if required to pay rent for the Site. In order to finance the proposed Project, it has been necessary to obtain approximately \$79,809,000 in outside funding from Federal, State, County and City sources. In contrast, the private market would have only provided approximately \$14,466,000. At this time, there are no additional outside funding sources available to pay the Fair Market Ground Rent for the Site.

In addition, the City Conditions will restrict the use of the Commercial Component to small businesses, MBE-WBE businesses, and/or micro enterprises that provide small scale, neighborhood and visitor-serving retail, which is expected to increase the vacancy and collection rate. In addition, the City Conditions restrict the rent on the art studio space to the operating expenses, and nearly 50% of the Commercial Component will not generate income. Since the private market could potentially provide up to approximately \$1,635,000 in debt and equity to the Project, it is unlikely the Developer would be able to obtain the commercial loan since the City's ground lease will be unsubordinated. Due to the affordability restrictions generating Tax Credit equity, the Commercial Component can be financed.

CONCLUSIONS

In summary the KMA analysis has made the following findings:

1. The Fair Market Ground Rent for the Site is \$136,097 per year.
2. The proposed Ground Rent for the Site is \$1 per year for the Residential Component and 50% of residual receipts for the Commercial Component.
3. The most significant City Conditions that impact the value of the Site include:
 - a. Long-term affordability restrictions;

- b. An improved Site that requires demolition and relocation costs to be incurred;
 - c. Prevailing wages and Project labor agreement requirements;
 - d. Population targeted to homeless individuals;
 - e. Commercial uses restricted to preferred tenants and the artist studio rents will be restricted to effectively \$0; and
 - f. Accessibility requirements.
4. Based on the City Conditions that increase the development costs and the affordability and use restrictions, the Fair Reuse Rent is estimated to be \$0 per year for both the Residential and Commercial Components.
5. The ground leasing of the Site will provide 136 units restricted to extremely- and very-low income households for at least 55 years. In addition, the Commercial Component will be restricted to small businesses, MBE-WBE businesses, and/or micro enterprises and artists. The proposed residential and commercial restrictions justify conveying the Site for less than the Fair Market Rent.

Based on the findings included in this analysis, KMA concludes that while the City will not receive the current Fair Market Rent of the Site, the proposed Ground Rent is higher than the estimated Fair Reuse Rent once the City Conditions are taken into account. Thus, the conveyance of the Site at the proposed Ground Rent complies with the requirements outlined in Section 7.27.3.

ATTACHMENT B

ATTACHMENT B

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")

(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.

(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: Daniel Huynh
Digitally signed by Daniel Huynh
Date: 2022.08.29
19:00:11 -07'00'

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.

EXHIBIT E
PROJECT BUDGET
[BEHIND THIS PAGE]

Prepared For:	VCH & HCHC
Prepared By:	California Housing Partnership Corporation
Version:	1.04
Revised:	1/12/2022
Filename:	VCH HCHC Venice Dell v1.04 feasibility.xlsm

TABLE OF CONTENTS

Sources of Funds.....	1	Cash Flow (Residential).....	11a
Uses of Funds.....	2	Cash Flow (Commercial)	11b
Developer Fee Calculation.....	3	Outstanding Debt & Reserves (Book).....	12a
Unit Mix & Rental Income.....	4	Outstanding Debt & Reserves (Tax).....	12b
Tax Credit Calculation.....	5	Net Cash Flow Fee Accruals.....	12c
Base Year Income & Expense.....	6	Schedule of Existing Debt.....	12d
Mortgage Calculation & Bond Ratios.....	7	Schedule of Deductions.....	13
Lease-up/Placed-in-Service Schedule.....	8	Analysis of Taxable Income.....	14
Net Syndication Proceeds.....	9	Capital Account & Exit Tax Liability.....	15
TCAC Calculations.....	10a	Investment Summary.....	16
TCAC Transfer Event Calculation.....	10b	Net Quarterly Benefits.....	17

SOURCES OF FUNDS - PERMANENT

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS
Tax-Exempt Perm Loan	5,488,000	5.911%		20.0	<i>Total Permanent Debt: 5,488,000</i>
LAHD - AHMP	6,300,000	3.000%	1.788%	55.0	<i>Term - 20 (yrs.) Index - 10Y T - 1.630% Spread - 285 bps</i>
Accrued Deferred Interest - LAHD - AHI	96,771				<i>Per Unit: 45,000</i>
HCD - MHP/VHHP/AHSC	30,763,696	3.000%	1.903%	55.0	<i>Per Unit: 219,741</i>
GP Loan (IIG)	7,500,000	0.000%	0.000%	55.0	<i>Per Unit: 53,571</i>
GP Loan (FHLB AHP)	1,250,000	0.000%	0.000%	55.0	<i>Per Unit: 8,929</i>
LAHD Ground Lease Value	0	0.000%	0.000%	55.0	<i>Per Unit: -</i>
Deferred Developer Fee	0	0.000%	0.000%		
Capital Contributions					
General Partner (Developer Fee)	800,000				<i>Total LP capital includes release of bond collateral funded during construction</i>
GP Capital - Sponsor	100				<i>Synd Costs 195,000</i>
Limited Partners	<u>34,670,972</u>				<i>Net Equity for TCAC 34,475,972</i>
TOTAL SOURCES	86,869,539				<i>Fed LIHTC: \$0.90 State LIHTC: \$0.80</i>
<i>Surplus/(Shortfall)</i>	<i>0</i>				

PERMANENT LOAN INTEREST RATE	TRANCHE A	TRANCHE B	INVESTOR EQUITY STACK	OTHER ASSUMPTIONS	
Base Rate	4.480%	4.480%	LIHTC Equity (Federal+Stc)	34,670,972	Current AFR: 1.90%
Cushion	1.250%	1.250%	Historic Tax Credit	0	AFR Month: Dec-21
MIP	0.000%	0.000%	Investment Tax Credit (Sol)	0	AFR Cushion: 0.00%
GNMA/Servicing	0.000%	0.000%	Subtotal LP Equity	34,670,972	Total U/W AFR: 1.90%
Issuer	0.125%	0.125%	CA Certificated Credit Sale	0	
Trustee	0.056%	0.000%	Total Investor Equity	34,670,972	
Rating	0.000%	0.000%			
Remarketing	0.000%	0.000%			
Rebate Analyst	0.000%	0.000%			
Total	5.911%	5.855%			

SOURCES OF FUNDS - CONSTRUCTION

	AMOUNT	INTEREST RATE	TERM (Mos.)	COMMENTS
Tax-Exempt Construction Loan	45,120,000	3.750%	30	
Taxable Construction Loan	19,076,413	4.000%	30	
LAHD - AHMP	6,300,000	3.000%	30	
Accrued Deferred Interest - LAHD - AHI	96,771			
GP Loan (IIG)	7,500,000	0.000%	30	
GP Loan (FHLB AHP)	1,250,000	0.000%	30	
LAHD Ground Lease Value	0	0.000%	30	
Costs Deferred Until Conversion	2,325,608			<i>See page 2 - right column</i>
Deferred Developer Fee	0			
Capital Contributions				
General Partner (Developer Fee)	0			
GP Capital - Sponsor	100			
Limited Partners*	<u>5,200,646</u>			<i>Total Equity During Const. 5,200,646 15.00%</i>
TOTAL SOURCES	86,869,539			<i>Syndication Costs 195,000</i>
<i>Surplus/(Shortfall)</i>	<i>(0)</i>			<i>Net Equity for TCAC 5,005,646</i>
Sources Less Deferred To Conversion:	84,543,931			

CONSTRUCTION LOAN INTEREST RATE	CONSTRUCTION LOAN VALUATION	TAX-EXEMPT BOND DATA
Index Type: SOFR	Restricted NOI 690,983	50% Test (see Page 7): 55.00%
Current Index: 0.50%	OAR 4.50%	Issuer Inducement: TBD
Spread: 1.75%	FMV per NOI 15,355,182	CDLAC Allocation: TBD
Base Interest Rate (not including cushi)	Agg. Credit Value @ 0.8999 34,670,972	Percent of CDLAC Allocation 0.00%
Cushion - Total 1.50%	Perm-Only Soft Debt 30,763,696	Const-only portion: 39,632,000
Interest Rate (All-In) 3.75%	Total Value 80,789,850	
	LTV: 85.00%	CDLAC Per-Unit Limit 75,151,000
	Max. Const. Loan Amount 68,671,373	CDLAC 55% Limit 45,120,000
	Commitment Amount TBD	50% Test Target 55.00%
		Target Limit 45,120,746

Uses of Funds	Version: 1.04
----------------------	---------------

	Res Cost: Res Sq Foot:	92.84% 80.01%		COST ALLOCATIONS Assuming 266 Election? No				LIHTC ELIGIBLE BASIS		OTHER BASIS & COST ALLOCATIONS				
		TOTAL	Per Unit	Total Residential	Total Non-Residential	Depreciable			Const./Rehab	Acquisition	Deferred to Completion or Perm Conv.	Land/Basis for 50% Test	Historic Rehab Tax Credit Basis	ITC Tax Credit Basis (Solar PV)
						Non-Depreciable	Residential	Non-Resid.						
ACQUISITION COSTS														
Total Purchase Price - Real Estate:														
0														
Land - Venice Dell	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal - Acquisition	30,000	214	27,853	2,147	30,000	0	0	0	0	0	30,000	0	0	0
Land Holding Costs	50,000	357	46,422	3,578	50,000	0	0	0	0	0	50,000	0	0	0
Off-Site Improvements	319,125	2,279	319,125	0	0	319,125	0	319,125	0	0	319,125	0	319,125	0
HARD COSTS														
Total Construction Contract:														
60,523,565 excl BIP														
NEW CONSTRUCTION														
Demolition & Abatement	595,818	4,256	595,818	0	595,818	0	0	0	0	0	595,818	0	0	0
Hard Costs-Unit Construction	42,739,973	305,286	42,739,973	0	42,739,973	0	0	42,739,973	0	0	42,739,973	42,739,973	0	0
Personal Property in Construction Contract	2,271,825	16,227	2,271,825	0	2,271,825	0	0	2,271,825	0	0	2,271,825	0	0	0
Site Improvements/Landscape	1,223,428	8,739	1,223,428	0	1,223,428	0	0	1,223,428	0	0	1,223,428	0	0	0
Rough Grading	532,819	3,806	492,375	40,444	532,819	0	0	0	0	0	532,819	0	0	0
GC - General Conditions	4,352,544	31,090	4,043,453	309,091	4,043,453	309,091	0	4,043,453	0	0	4,352,544	4,352,544	0	0
GC - Overhead & Profit	2,418,081	17,272	2,246,364	171,717	2,246,364	171,717	0	2,246,364	0	0	2,418,081	2,418,081	0	0
GC - Insurance	689,153	4,923	640,213	48,940	640,213	48,940	0	640,213	0	0	689,153	689,153	0	0
GC - Bond Premium	689,153	4,923	640,213	48,940	640,213	48,940	0	640,213	0	0	689,153	689,153	0	0
Construction - Other - Photo/Voltaic System	345,000	2,464	345,000	0	345,000	0	0	345,000	0	0	345,000	0	0	345,000
Construction - Other - Site Utilities	1,052,750	7,520	952,750	100,000	952,750	100,000	0	952,750	0	0	1,052,750	1,052,750	0	0
Construction - Other - BIP	1,294,656	9,248	0	1,294,656	0	0	0	1,294,656	0	0	1,294,656	1,294,656	0	0
Construction - Commercial - Core & Shell	3,293,896	23,528	0	3,293,896	0	0	0	3,293,896	0	0	3,293,896	3,293,896	0	0
Contingency - Owner's Construction	6,052,357	43,231	5,521,589	530,768	5,521,589	530,768	0	5,521,589	0	0	6,052,357	6,052,357	0	0
SOFT COSTS														
Architecture - Design	3,902,207	27,873	3,622,989	279,218	3,622,989	279,218	0	3,622,989	0	0	3,902,207	3,902,207	0	22,244
Design/Engineering	210,833	1,506	195,747	15,086	195,747	15,086	0	195,747	0	0	210,833	210,833	0	1,202
Design/Engineering - LEED/CASp	150,000	1,071	139,267	10,733	139,267	10,733	0	139,267	0	0	150,000	150,000	0	0
Phase I/II/Toxics Report	40,000	286	37,138	2,862	37,138	2,862	0	37,138	0	0	40,000	40,000	0	0
Special Inspections/Testing	200,000	1,429	185,689	14,311	185,689	14,311	0	185,689	0	0	200,000	200,000	0	0
CEQA	355,000	2,536	329,598	25,402	329,598	25,402	0	329,598	0	0	355,000	355,000	0	0
Owner's Rep / Construction Supervision	182,000	1,300	168,977	13,023	168,977	13,023	0	168,977	0	0	182,000	182,000	0	1,037
Local Development Impact Fees	408,928	2,921	379,668	29,260	379,668	29,260	0	379,668	0	0	408,928	408,928	0	0
Local Permits/Fees	950,000	6,786	882,024	67,976	882,024	67,976	0	882,024	0	0	950,000	950,000	0	0
Relocation - Permanent	400,000	2,857	371,378	28,622	400,000	0	0	0	0	0	400,000	0	0	0
Insurance During Const	500,000	3,571	464,223	35,777	464,223	35,777	0	464,223	0	0	500,000	500,000	0	2,850
Appraisal	12,000	86	11,141	859	11,141	859	0	11,141	0	0	12,000	12,000	0	0
Market/Rent Comp Study	10,000	71	10,000	0	10,000	0	10,000	0	0	0	10,000	0	0	0
Planning/Entitlements	450,000	3,214	417,801	32,199	417,801	32,199	0	417,801	0	0	450,000	450,000	0	0
Soft Cost Contingency	343,459	2,453	318,883	24,576	318,883	24,576	0	318,883	0	0	343,459	343,459	0	0
Predev. Loan Interest/Fees	533,000	3,807	494,862	38,138	494,862	38,138	0	494,862	0	0	533,000	494,862	0	0
Construction Loan Interest	3,102,000	22,157	2,880,040	221,960	2,880,040	221,960	0	2,880,040	0	0	3,102,000	2,880,040	0	0
Construction Loan Interest - Tail	635,880	4,542	590,381	45,500	590,381	45,500	0	590,381	0	0	635,880	590,381	0	8,601
Interest - LAHD - AHMP	249,084	1,779	249,084	0	249,084	0	0	249,084	0	0	249,084	249,084	0	0
Title/Recording/Escrow - Construction	90,000	643	83,560	6,440	83,560	6,440	0	83,560	0	0	90,000	90,000	0	0
Title/Recording/Escrow - Permanent	20,000	143	18,569	1,431	18,569	1,431	0	18,569	0	0	20,000	20,000	0	0
Legal (Owner): Construction Closing	90,000	643	83,560	6,440	83,560	6,440	0	83,560	0	0	90,000	90,000	0	0
Permanent Closing	25,000	179	23,211	1,789	23,211	1,789	0	23,211	0	0	25,000	25,000	0	0
Organization of Ptnshp	25,000	179	25,000	0	25,000	0	0	25,000	0	0	25,000	0	0	0
Syndication - LP	55,000	393	55,000	0	55,000	0	55,000	0	0	0	55,000	0	0	0
Syndication Consulting	85,000	607	85,000	0	85,000	0	85,000	0	0	5,000	85,000	0	0	0
Audit/Cost Certification	30,000	214	30,000	0	30,000	0	0	30,000	0	0	30,000	0	0	0
TGAC Application/Res/Monitoring Fee	96,927	692	96,927	0	96,927	0	0	96,927	0	0	96,927	0	0	0
Marketing	48,000	343	48,000	0	48,000	0	0	48,000	0	0	48,000	0	0	0
Furnishings Not in Contract	297,500	2,125	297,500	0	297,500	0	297,500	0	0	0	297,500	0	0	0
Start-up/Lease-up Expenses	50,000	357	50,000	0	50,000	0	50,000	0	0	0	50,000	0	0	0
Capitalized Operating Reserve (3 mos.)	467,473	3,339	467,473	0	467,473	0	0	467,473	0	0	467,473	0	0	0
Capitalized Transition Reserve-HCD	420,736	3,005	390,630	30,105	390,630	30,105	0	390,630	0	0	420,736	390,630	0	0
Developer Fee	3,300,000	23,571	3,063,873	236,127	3,063,873	236,127	0	3,063,873	0	0	3,300,000	3,063,873	0	57,140
COSTS OF ISSUANCE														
Bond Counsel	60,000	429	60,000	0	60,000	0	0	60,000	0	0	60,000	0	0	0
Trustee Counsel	4,500	32	4,500	0	4,500	0	0	4,500	0	0	4,500	0	0	0
Issuer Financial Advisor	35,000	250	35,000	0	35,000	0	0	35,000	0	0	35,000	0	0	0
Issuer Application Fee + TEFRA Fee	60,018	429	60,018	0	60,018	0	0	60,018	0	0	60,018	0	0	0
Issuer Fee - Upfront	157,491	1,125	157,491	0	157,491	0	0	157,491	0	0	157,491	0	0	0
Issuer Fee - Annual During Const.	169,200	1,209	169,200	0	169,200	0	0	169,200	0	0	169,200	0	0	0
Construction Lender Origination Fee	481,473	3,439	447,022	34,451	447,022	34,451	0	447,022	0	0	481,473	447,022	0	0
Construction Lender Expenses	40,000	286	37,138	2,862	37,138	2,862	0	37,138	0	0	40,000	37,138	0	0
Construction Lender Counsel	60,000	429	55,707	4,293	55,707	4,293	0	55,707	0	0	60,000	55,707	0	0
Permanent Lender Expenses	10,000	71	9,284	716	9,284	716	0	9,284	0	0	10,000	9,284	0	0
Permanent Lender Counsel	35,000	250	32,496	2,504	32,496	2,504	0	32,496	0	0	35,000	32,496	0	0
Permanent Loan Origination Fee	41,160	294	38,215	2,945	38,215	2,945	0	38,215	0	0	41,160	38,215	0	0
Trustee Fee During Construction	9,300	66	8,635	665	8,635	665	0	8,635	0	0	9,300	8,635	0	0
CDLAC Fee	15,792	113	15,792	0	15,792	0	0	15,792	0	0	15,792	0	0	0
CDIAC Fee	5,000	36	5,000	0	5,000	0	0	5,000	0	0	5,000	0	0	0
Subtotal - Financing/Costs of Issuance	1,183,934	8,457	1,135,497	48,437	1,135,497	48,437	0	1,135,497	0	0	1,183,934	1,135,497	0	0
TOTAL DEVELOPMENT COSTS														
TDC Per Unit	86,869,539	620,497	79,809,094	7,060,445	79,809,094	7,060,445	0	79,809,094	0	0	86,869,539	79,809,094	0	438,074
TDC Net of accrued interest:	86,772,768	620,497	79,809,094	7,060,445	79,809,094	7,060,445	0	79,809,094	0	0	86,772,768	79,809,094	0	438,074
TDC TCAC	86,674,539	620,497	79,614,094	7,060,445	79,614,094	7,060,445	0	79,614,094	0	0	86,674,539	79,614,094	0	438,074

Developer Fee Calculation

Version: 1.04

MAXIMUM DEVELOPER FEE CALCULATION

	<u>CONST.</u>	<u>ACQ.</u>	<u>TOTAL</u>
Fee per Base TCAC Formula	11,629,362	0	11,629,362
<i>Percent of Total</i>	<i>100.00%</i>	<i>0.00%</i>	<i>100.00%</i>
Max. Allowable Fee per TCAC (prorated)	11,629,362	0	11,629,362
<i>Less: Development Consulting</i>	<i>0</i>		<i>0</i>
Net Allowable	11,629,362	0	11,629,362
<i>Less: Owner Reduction</i>	<i>0</i>	<i>0</i>	<i>0</i>
Net Allowable	11,629,362	0	11,629,362
Maximum Base Developer Fee per TCAC			11,629,362
Maximum Developer Fee per HCD			N/A
Maximum Developer Fee per Local			N/A
Maximum Developer Fee per Owner			3,300,000
Maximum Developer Fee at Max Cash Fee			3,300,000
Most Restrictive Maximum Developer Fee:			3,300,000
Maximum Cash Fee per TCAC (<i>Lesser of Calc. or Reservation Amount</i>)			3,300,000
Maximum Cash Fee per HCD			N/A
Maximum Cash Fee per LAHD			2,500,000
Maximum Cash Fee per Owner			N/A
Most Restrictive Maximum Cash Fee:			2,500,000

ACTUAL DEVELOPER FEE PAYMENT SCHEDULE

	<u>Amount</u>	<u>% of Cash Fee</u>	<u>% of Total Fee</u>
Construction Close	1,000,000	40.00%	30.30%
Completion	125,000	5.00%	3.79%
Conversion	1,225,000	49.00%	37.12%
Final LP Pay-in 1	150,000	6.00%	4.55%
Total: Cash Fee	2,500,000		
Plus: Deferred Developer Fee	0		0.00%
Plus: GP Capital	800,000		24.24%
Total Developer Fee	3,300,000		

Unit Mix & Rental Income	Version: 1.04
--------------------------	---------------

AVERAGE AFFORDABILITY FOR LIHTC UNITS (% of Median)	40.00%
9% TCAC INCOME TARGETING PTS:	50.00
RENT LIMITS AS OF YEAR:	2021

UTILITY ALLOWANCES	0BR	1BR	2BR	3BR	4BR	5BR
Venice Dell	30	40	52	-	-	-
	-	-	-	-	-	-

RESIDENTIAL INCOME

LIHTC - Tier 1 Venice Dell TCAC 30% AMI % of Units: 50.00%										Section 8 SUBSIDIZED					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	42	375	30.0%		621	591	591	24,822	297,864	42	1,492	901	37,842	454,104	751,968
1BR	15	500	30.0%		665	625	625	9,375	112,500	15	1,724	1,099	16,485	197,820	310,320
2BR	11	800	30.0%		798	746	746	8,206	98,472	11	2,196	1,450	15,950	191,400	289,872
TOTAL	68							42,403	508,836	68			70,277	843,324	1,352,160

Per AB 1197/AB 2162, HCD Low rents required on 100% of units

LIHTC - Tier 2 Venice Dell TCAC 50% AMI % of Units: 50.00%										NOT SUBSIDIZED					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	47	375	40.6%		840	1,005	810	38,070	456,840	0	0	0	0	0	456,840
1BR	10	500	43.3%		960	1,068	920	9,200	110,400	0	0	0	0	0	110,400
2BR	11	800	40.6%		1,080	1,278	1,028	11,308	135,696	0	0	0	0	0	135,696
TOTAL	68							58,578	702,936	0			0	0	702,936

Staff Units - Site 1 Venice Dell									
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent
2BR	4	800	0.0%		0	0	0	0	0
TOTAL	4							0	0

TOTAL RESIDENTIAL INCOME										Grand Total Income	Total Floor Area
	Number	Total Monthly Net Rent	Total Annual Net Rent	Monthly Section 8 Income	Annual Section 8 Income						
LIHTC	136	100,981	1,211,772	70,277	843,324					2,055,096	63,475
Non-LIHTC	0	0	0	0	0					0	0
Staff Units	4	0	0	0	0					0	3,200
TOTAL	140	100,981	1,211,772	70,277	843,324	0	0	0	0	2,055,096	66,675

MISCELLANEOUS INCOME			
	Per Unit Per Month	Monthly Total	Annual Total
Laundry / Vending	4.86	680	8,160
Other	0.00	0	0
Parking	0.00	0	0
TOTAL	4.86	680	8,160

SUBSIDIZED UNIT MIX SUMMARY					
Unit Type	Units With Section 8	Units Without Subsidy	Total Units		
0BR	42	47	89		
1BR	15	10	25		
2BR	11	15	26		
TOTAL	68	72	140	0	0

SCATTERED SITE UNIT MIX SUMMARY													
LIHTC					Non-LIHTC					STAFF UNITS			
Unit Type	Venice Dell				Venice Dell					Venice Dell			
0BR	89	0	0	0	0	0	0	0	0	0	0	0	0
1BR	25	0	0	0	0	0	0	0	0	0	0	0	0
2BR	22	0	0	0	0	0	0	0	0	4	0	0	0
TOTAL	136	0	0	0	0	0	0	0	0	4	0	0	0

TOTAL ALL TYPES					
Unit Type	Venice Dell				
0BR	89	0	0	0	0
1BR	25	0	0	0	0
2BR	26	0	0	0	0
TOTAL	140	0	0	0	0

Calculation of Tax Credits	Version: 1.04
-----------------------------------	----------------------

	FEDERAL			CALIFORNIA		
	ACQUISITION	CONST/ REHAB	TOTAL	ACQUISITION	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	0	74,090,682	74,090,682	0	0	0
Less:						
50% Energy Investment Tax Credit (Res. Portion)	0	0	0	0	0	0
Non-Eligible Grants	0	0	0	0	0	0
ELIGIBLE BASIS	0	74,090,682	74,090,682	0	0	0
<i>Threshold Basis Limit</i>			149,082,869			
<i>TBL: Exclude GP Cap/DDF for 4%/State</i>			0			
REQUESTED UNADJUSTED ELIGIBLE BASIS (For Tiebreaker)	0	74,090,682	74,090,682	0	0	0
HIGH COST ADJUSTMENT (Y or N)	Y					
	<i>DDA 2021</i>	100.0%	130.0%	100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS	0	96,317,886	96,317,886	0	0	0
APPLICABLE FRACTION*	100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS	0	96,317,886	96,317,886	0	0	0
CREDIT RATE (TCAC UNDERWRITING)						
Total State				13.00%	13.00%	
Annual Federal / Yr 1-3 State	4.00%	4.00%		4.00%	4.00%	
Yr 4 State				1.00%	1.00%	
MAX. POTENTIAL FEDERAL CREDIT (No Vol Basic Reduct/Actual Rate)						
Credit Rates	4.00%	4.00%				
Potential Credit	0	3,852,715	3,852,715			
Credit Rate Locked?						
YES						
Dec-21						
MAX. CREDIT AMOUNT PER TCAC UNDERWRITING						
Annual Federal / Yr 1 State	0	3,852,715	3,852,715	0	0	0
Yr 2 State				0	0	0
Yr 3 State				0	0	0
Yr 4 State				0	0	0
Total				0	0	0
REQUESTED TOTAL STATE CREDIT AMOUNT				N/A	N/A	N/A
ACTUAL TCAC CREDIT RESERVATION						
Annual Federal / Total State	N/A	N/A	N/A	N/A	N/A	N/A
MAXIMUM ALLOWABLE CREDITS (Lesser of above)						
Annual Federal / Total State	0	3,852,715	3,852,715			0
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			38,527,155			0

Base Year Income & Expense	Version: 1.04
----------------------------	---------------

INCOME		
Scheduled Gross Income - Residential		1,211,772
Total Gross Subsidy Income - Section 8		843,324
Misc. Income		8,160
Vacancy Loss - Residential	5.0%	(60,997)
Vacancy Loss - Section 8	5.0%	(42,166)
EFFECTIVE GROSS INCOME		1,960,093
EXPENSES - RESIDENTIAL		
Administrative		
Advertising	900	
Legal	9,000	
Accounting/Audit	25,000	
Security	0	
Other: Misc. Admin	42,760	
Total Administrative		77,660
Management Fee		142,800
Utilities		
Gas	47,000	
Electricity	63,000	
Water/Sewer	94,000	
Total Utilities		204,000
Payroll/Payroll Taxes		
On-Site Manager/Office Admin	170,000	
Maintenance Payroll	100,000	
Payroll Taxes/Benefits	58,800	
Total Payroll/Payroll Taxes		328,800
Insurance		80,000
Maintenance		
Painting	18,000	
Repairs	35,000	
Trash Removal	45,000	
Exterminating	10,500	
Grounds	26,250	
Elevator	13,600	
Misc Supplies, Contracts	48,000	
Total Maintenance		196,350
Other		
Special Assessments	0	
Misc. Tax/License/SCEP	13,500	
Total Other		13,500
Resident Services		
Tenant Services	140,000	
Total Resident Services		140,000
Replacement Reserve		70,000
Real Estate Taxes		16,000
TOTAL EXPENSES - RESIDENTIAL		1,269,110
<i>Per Unit Per Annum (incl. Reserves)</i>	9,065	
<i>Per Unit Per Annum (w/o taxes/res/svc)</i>	7,451	
<i>TCAC Minimum (w/o taxes/res/svc)</i>	4,700	
TOTAL EXPENSES - COMMERCIAL		0
NET AVAILABLE INCOME		690,983
Less: Mandatory Annual HCD Payment (Grossed Up for DSCR Factor)	1.15	(148,589)
Less: Ground Lease - Minimum Payment		(1)
ADJUSTED NET AVAILABLE INCOME: TOTAL		542,394
ADJUSTED NET OF COMMERCIAL:		542,394
ADJUSTED NET AVAILABLE INCOME: NET OF OP SUBSIDY		(258,764)
Debt Service Coverage Ratio		1.15
AVAILABLE FOR DEBT SERVICE (NET OF OP SUBSIDY)		(225,012)
AVAILABLE FOR DEBT SERVICE (OP SUBSIDY OVERHANG)		696,659
NET AVAILABLE INCOME AFTER SENIOR DEBT SERVICE		70,747
NET AVAILABLE COMMERCIAL ONLY INCOME		0

Mortgage Calculation/Bond Ratios	Version: 1.04
---	----------------------

Tax-Exempt Perm Loan			
Uses baseline year NOI; includes annual fees			
Financing Type: Tax-Exempt Perm Loan			
	Underwriting Constraint	Maximum Loan Amount	
Debt Service Coverage	1.15	5,488,868	Rate: 5.730%
Lender Commitment		NA	Term (mths): 240
MAXIMUM MORTGAGE		5,488,868	NOI for DS: <u>542,394</u>
			Max PMT @ DSCR: 471,647
			Annual Fees: <u>9,961</u>
			Annual DS Payment: 461,685

INTEREST RATE STACK	TRANCHE A
Base Rate	4.4800%
Cushion	1.2500%
MIP	0.0000%
GNMA/Servicing	0.0000%
Issuer	0.1250%
Trustee	0.0565%
Rating	0.0000%
Remarketing	0.0000%
Rebate Analyst	0.0000%
TOTAL	5.9115%
DCR	1.15

BOND / REHABILITATION RATIOS				
Tax-Exempt Financing Ratio	CDLAC Allocation Limit	<i>Effective Date Limits</i>	6/1/20	
		Units	Per-Unit Limit	Total Limit
Series A Bonds	5,488,000	Studio and SRO	89	46,458,000
Series B Bonds	0	One BR	25	13,600,000
Short Term Bonds (Construction Loan Portior	<u>39,632,000</u>	Two BR	26	15,093,000
TOTAL TAX-EXEMPT FINANCING	45,120,000	Three BR	0	0
TOTAL BASIS + LAND ALLOCATION	82,037,720	Four BR or More	0	0
Percent Tax-Exempt Financing	55.00%	TOTAL		75,151,000
		Potential Bond Size		45,120,000
		Over/(Under)		-30,031,000

Lease-Up / Placed-in-Service Schedule	Version: 1.04
--	----------------------

SCHEDULE

	Dates	Months to Milestone	Cumulative Months
Start of Construction	October 1, 2023	0	0
Completion	June 1, 2025	20	20
100% Occupancy	December 1, 2025	6	26
Conversion	April 1, 2026	4	30
Form(s) 8609	October 1, 2026	6	36

TCAC Calculations & Scoring	Version: 1.04
--	----------------------

THRESHOLD BASIS LIMIT		
County:	Los Angeles	TCAC Project #:
9% or 4% credits:	4%	CDLAC Project #:
Year:	2021	

Base Limits for Geographic Region			Threshold Basis Limit for This Project			
Unit Type	9%	4%	Unit Type	# Units	Per Unit Basis Limit	Total
0 BR	327,289	327,289	0 BR	89	327,289	29,128,721
1 BR	377,361	377,361	1 BR	25	377,361	9,434,025
2 BR	455,200	455,200	2 BR	26	455,200	11,835,200
				140		50,397,946

Energy/Resource Efficiency Boosts		Additional Basis Adjustments	
Renewables (50% tot./90% area)	0%	Boost for Prevailing Wage	20.0%
Renewables (75% CA/90% area)	0%	Boost for Project Labor Agreement	5.0%
Title 24 + 15%	0%	Boost for Parking beneath Units	10.0%
Post-rehab improvement > 80%	0%	Boost for Childcare	0.0%
Greywater landscaping	0%	Boost for 100% Special Needs	0.0%
Community gardens > 60 s.f.	0%	Boost for elevator service	10.0%
Natural flooring kitchens	0%	Boost for Type I construction	0.0%
Natural flooring common area	0%	Boost for Type III construction	0.0%
EPA Indoor Air Plus Program met	0%	Subtotal Boost	45.0%
		Boost for Energy / Resource Efficiency	0.0%
		Toxic/Seismic Abatement Costs	0.0%
		Local Development Impact Fees	
		High Opportunity Area	0%
		BONDS: Boost for units ≤ 50% AMI (excl. CA credit project)	1.0%
		BONDS: Boost for units ≤ 35% AMI (excl. CA credit project)	2.0%
Subtotal Efficiency (Max 10%)	0%		
			22,679,076
			0
			0
			408,928
			0
			25,198,973
			50,397,946
		Total Threshold Basis Limit	149,082,869
		Potential Eligible Basis	74,090,682
		Eligible Basis Surplus/(Deficit)	74,992,187

Full First Year Cash Flow

1.04

	MULTIPLIER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
REVENUE																
Gross Rent	1.020	1,211,772	1,236,007	1,260,728	1,285,942	1,311,661	1,337,894	1,364,652	1,391,945	1,419,784	1,448,180	1,477,143	1,506,686	1,536,820	1,567,556	1,598,907
Less Vacancy	5.00%	(60,589)	(61,800)	(63,036)	(64,297)	(65,583)	(66,895)	(68,233)	(69,597)	(70,989)	(72,409)	(73,857)	(75,334)	(76,841)	(78,378)	(79,945)
Rental Subsidy	1.020	843,324	860,190	877,394	894,942	912,841	931,098	949,720	968,714	988,088	1,007,850	1,028,007	1,048,567	1,069,539	1,090,930	1,112,748
Less Vacancy	5.00%	(42,166)	(43,010)	(43,870)	(44,747)	(45,642)	(46,555)	(47,486)	(48,436)	(49,404)	(50,393)	(51,400)	(52,428)	(53,477)	(54,546)	(55,637)
Miscellaneous Income	1.020	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561	9,752	9,947	10,146	10,349	10,556	10,767
Less Vacancy	5.00%	(408)	(416)	(424)	(433)	(442)	(450)	(459)	(469)	(478)	(488)	(497)	(507)	(517)	(528)	(538)
Total Revenue		1,960,093	1,999,295	2,039,281	2,080,067	2,121,668	2,164,701	2,207,383	2,251,531	2,296,562	2,342,493	2,389,343	2,437,130	2,485,872	2,535,590	2,586,301
EXPENSES																
Operating Expenses:	1.030															
Administrative		77,660	79,990	82,389	84,861	87,407	90,029	92,730	95,512	98,377	101,329	104,369	107,500	110,725	114,046	117,468
Management		142,800	147,084	151,497	156,041	160,723	165,544	170,511	175,626	180,895	186,322	191,911	197,669	203,599	209,707	215,998
Utilities		204,000	210,120	216,424	222,916	229,604	236,492	243,587	250,894	258,421	266,174	274,159	282,384	290,855	299,581	308,568
Payroll & Payroll Taxes		328,800	338,664	348,824	359,289	370,067	381,169	392,604	404,383	416,514	429,009	441,880	455,136	468,790	482,854	497,340
Insurance		80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390	101,342	104,382	107,513	110,739	114,061	117,483	121,007
Maintenance		196,350	202,241	208,308	214,557	220,994	227,623	234,452	241,486	248,730	256,192	263,878	271,794	279,948	288,347	296,997
Other		13,500	13,905	14,322	14,752	15,194	15,650	16,120	16,603	17,101	17,614	18,143	18,687	19,248	19,825	20,420
Total Operating Expenses		1,043,110	1,074,403	1,106,635	1,139,834	1,174,029	1,209,250	1,245,528	1,282,894	1,321,381	1,361,022	1,401,853	1,443,908	1,487,225	1,531,842	1,577,797
Tenant Internet Expense*	1.030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Amenities	1.030	140,000	144,200	148,526	152,982	157,571	162,298	167,167	172,182	177,348	182,668	188,148	193,793	199,607	205,595	211,763
Replacement Reserve		70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Real Estate Taxes	1.020	16,000	16,320	16,646	16,979	17,319	17,665	18,019	18,379	18,747	19,121	19,504	19,894	20,292	20,698	21,112
Ground Lease - Minimum Payment	1.000	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Total Expenses		1,269,111	1,304,924	1,341,809	1,379,797	1,418,921	1,459,215	1,500,715	1,543,456	1,587,476	1,632,813	1,679,506	1,727,596	1,777,125	1,828,136	1,880,673
Cash Flow Prior to Debt Service		690,982	694,371	697,472	700,270	702,747	704,886	706,668	708,075	709,086	709,680	709,837	709,534	708,747	707,454	705,629
MUST PAY DEBT SERVICE																
Mandatory Annual HCD Payment		129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208
TOTAL PERMANENT LOAN DEBT SERVICE		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SERIES A DEBT SERVICE		461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613
ISSUER & TRUSTEE FEES		9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835
TOTAL DEBT SERVICE		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		600,655	600,655	600,655	600,655	600,655	600,655	600,655	600,655	600,655	600,655	600,655	600,655	600,655	600,655	600,655
Cash Flow After Debt Service		90,327	93,715	96,817	99,615	102,092	104,231	106,013	107,420	108,430	109,025	109,182	108,878	108,092	106,799	104,973

Attachment C

Attachment C

Ann Sewill, General Manager
Tricia Keane, Executive Officer

City of Los Angeles



LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

housing.lacity.org

Karen Bass, Mayor

July 11, 2024

VIA EMAIL

Venice Community Housing Corporation
200 Lincoln Blvd.
Venice, CA 90291
Attn: Rebecca Dennison, Co-Executive Director

RE: Venice Dell Community - DDA Side Letter Agreement

Dear Ms. Dennison:

On June 30, 2022, the Los Angeles Housing Department (LAHD) executed a Disposition and Development Agreement (DDA) under City Contract No. C-140728, with the Venice Dell L.P ("Partnership") to develop the Venice Dell Community ("Project") at 2102-2120 S. Pacific Ave., 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. The Partnership comprises Hollywood Community Housing Corporation and Venice Community Housing Corporation as co-members of the Venice Dell GP, LLC, which is the Managing General Partner for the Partnership (collectively referred to as "Developer").

Section 1.2, Definitions, on page 13 of the DDA, states:

"Schedule of Performance shall mean the Schedule of Performance, including the Project's Milestones, attached to this Agreement as Exhibit C of Part I of Exhibits, 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."

In addition, Section 3.2, Financing for the Project, on page 20 of the DDA, states:

"From time to time after the execution of this Agreement and through the 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)."

The Project will apply for funding from the Los Angeles County Development Authority and the California State Department of Housing and Community Development. It must submit with its application a DDA with an updated Schedule of Performance and Project Budget. For this reason, notwithstanding anything to the contrary contained in the DDA, the LAHD and the Developer mutually agreed to amend Exhibit C (the Schedule of Performance), and Exhibit E (the Project Budget), by replacing both Exhibits with the revised versions that are attached to this letter.

Further, the Developer and LAHD acknowledge that the signed DDA's signature block contained clerical errors. The word "Community" was misspelled as "Communtiy" in the Venice Community Housing Corporation, and the

An Equal Opportunity Employer


LAF_000260

word "Community" was misspelled as "Communtiy" in the Hollywood Community Housing Corporation. Both parties agreed to correct those errors.

Agreed and Acknowledged by:

"LAHD"

Los Angeles Housing Department


By: 
Ann Sewill
General Manager
Dated: 9/25/24

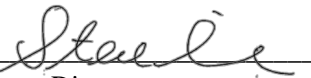
"DEVELOPER"

Venice Dell L.P, a California limited partnership

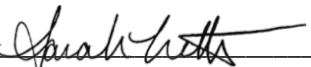
By: Venice Dell GP, LLC, a California limited liability company
Its Managing General Partner

By: Venice Community Housing Corporation, a California a non-profit corporation
Its: Managing Member

By: 
Rebecca Dennison
Co-Executive Director
Dated: 9/25/24

By: 
Steve-Diaz
Secretary
Dated: 9/25/24

By: Hollywood Community Housing Corporation, a California non-profit Corporation
Its: Member

By: 
Sarah Letts
Executive Director
Dated: 9/25/24


By: 
Rayne Laborde Ruiz
Secretary
Dated: 09.25.2024

Exhibit C – Schedule of Performance
Updated as of 6/28/24

Action	Timeline per original DDA	Updated Milestones
Key Terms and Conditions Executed	April 2022	--
DDA Executed	May 2022	--
DOT Approves Parking Garage Loan	April 2022	--
DOT Public Parking Garage Agreement Executed	May 2022	Dec 2025
LAHD AHMP Loan application Submittal / Approval	Jan 2022 / April 2022	--
HACLA PBV Application Submittal / Approval	April 2022 / June 2022	--
LAHD Inducement Application Submittal / Approval	Nov 2022 / Jan 2023	--
LACDA Application Submittal / Approval	--	Oct 2025 / Dec 2025
LAHD AHTF / ULA Application Submittal / Approval	--	Jan 2026 / March 2026
FHLB AHP Loan Application Submittal / Approval	March 2023 / June 2023	--
HCD – AHSC Application Submittal / Approval	--	March 2026 / June 2026
HCD – MHP/VHHP/IIG Application Submittal / Approval	June 2022 / Nov 2022	March 2026 / June 2026
CDLAC/TCAC Application Submittal / Approval	Jan 2023 / April 2023	Aug 2026 / Dec 2026
Entitlements Application Submittal / Secured	Nov 2018 / April 2022	--
Public Parking Component: Construction Commences / Completed	Oct 2022 / Jan 2024	June 2027 / Sept 2029
Project: Financing / Ground Lease Closings	October 2023	June 2027
Project: Construction Commences / Completed	Oct 2023 / March 2026	June 2027 / Nov 2030
Project: Lease-Up Period	April 2026 / Sept 2026	Nov 2030 / Apr 2031
Project: Stabilization / Permanent Loan Conversion	Jan 2027	Aug 2031

Updated Exhibit E : Project Budget

Venice Dell Community

Prepared For:	VCH & HCHC
Prepared By:	California Housing Partnership Corporation
Version:	1.20
Revised:	6/27/2024
Filename:	VCH HCHC Venice Dell v1.20 DDA revise.xlsm

TABLE OF CONTENTS

Sources of Funds.....	1	Cash Flow (Residential).....	11a
Uses of Funds.....	2	Cash Flow (Commercial)	11b
Developer Fee Calculation.....	3	Outstanding Debt & Reserves (Book).....	12a
Unit Mix & Rental Income.....	4	Outstanding Debt & Reserves (Tax).....	12b
Tax Credit Calculation.....	5	Net Cash Flow Fee Accruals.....	12c
Base Year Income & Expense.....	6	Schedule of Existing Debt.....	12d
Mortgage Calculation & Bond Ratios.....	7	Schedule of Deductions.....	13
Lease-up/Placed-in-Service Schedule.....	8	Analysis of Taxable Income.....	14
Net Syndication Proceeds.....	9	Capital Account & Exit Tax Liability.....	15
TCAC Calculations.....	10a	Investment Summary.....	16
TCAC Transfer Event Calculation.....	10b	Net Quarterly Benefits.....	17

SOURCES OF FUNDS - PERMANENT

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS
Tax-Exempt Perm Loan	6,214,000	7.495%		35.0	<i>Total Permanent Debt: 6,214,000</i>
LAHD - AHMP	6,300,000	4.000%	2.137%	55.0	<i>Term - 20 (yrs.) Index - 10Y T - 4.260% Spread - 280 bps</i>
LAHD Ground Lease Value	28,000,000	0.000%	0.000%	55.0	<i>Per Unit: 45,000</i>
HCD - AHSC	26,521,301	3.000%	1.903%	55.0	<i>Per Unit: 200,000</i>
LACDA - AHTF	10,000,000	3.000%	1.788%	55.0	<i>Per Unit: 189,438</i>
Accrued Deferred Interest - LACDA - AI	520,835				<i>Per Unit: 71,429</i>
LAHD - ULA/AHTF	15,000,000	3.000%	1.788%	55.0	<i>Per Unit: 107,143</i>
Deferred Developer Fee	0	0.000%	0.000%		
Capital Contributions					
GP Capital - Sponsor	100				<i>Synd Costs 195,000</i>
Limited Partners	40,675,543				<i>Net Equity for TCAC 40,480,543</i>
					<i>Fed LIHTC: \$0.92 State LIHTC: \$0.88</i>
TOTAL SOURCES	133,231,779				
<i>Surplus/(Shortfall)</i>	<i>0</i>				

PERMANENT LOAN INTEREST RATE				INVESTOR EQUITY STACK		OTHER ASSUMPTIONS	
Base Rate	7.060%	7.060%	7.310%	LIHTC Equity (Federal+Stat)	40,675,543	Current AFR:	1.90%
Cushion	0.250%	0.250%	Perm Loan Rate	Historic Tax Credit	0	AFR Month:	Dec-21
MIP	0.000%	0.000%		Investment Tax Credit (Sola)	0	AFR Cushion:	0.00%
GNMA/Servicing	0.000%	0.000%		Subtotal LP Equity	40,675,543	Total U/W AFR:	1.90%
Issuer	0.125%	0.125%	2,500 Issuer min/y	CA Certificated Credit Sale	0		
Trustee	0.060%	0.000%	3,750 per annum	Total Investor Equity	40,675,543		
Rating	0.000%	0.000%	0 per annum				
Remarketing	0.000%	0.000%	0 per annum				
Rebate Analyst	0.000%	0.000%	0 per annum				
Total	7.495%	7.435%					

SOURCES OF FUNDS - CONSTRUCTION

	AMOUNT	INTEREST RATE	TERM (Mos.)	COMMENTS
Tax-Exempt Construction Loan	52,991,000	7.840%	40	
Taxable Construction Loan	14,859,433	8.040%	40	
LAHD - AHMP	5,670,000	4.000%	40	<i>Assuming 10% retention on LAHD & LACDA sources</i>
LAHD Ground Lease Value	28,000,000	0.000%	40	
LACDA - AHTF	9,000,000	3.000%	40	
Accrued Deferred Interest - LACDA - AI	520,835			
LAHD - ULA/AHTF	13,500,000	3.000%	40	
Costs Deferred Until Conversion	2,589,080			<i>See page 2 - right column</i>
Deferred Developer Fee	0			
Capital Contributions				
GP Capital - Sponsor	100			
Limited Partners*	6,101,331			<i>Total Equity During Const. 6,101,331 15.00% of total 15.00% of Federal</i>
TOTAL SOURCES	133,231,779			<i>Syndication Costs 195,000</i>
<i>Surplus/(Shortfall)</i>	<i>0</i>			<i>Net Equity for TCAC 5,906,331</i>
Sources Less Deferred To Conversion:	130,642,699			

CONSTRUCTION LOAN INTEREST RATE		CONSTRUCTION LOAN VALUATION		TAX-EXEMPT BOND DATA	
Index Type:	Term SOFR	Restricted NOI	831,090	50% Test (see Page 7):	55.00%
Current Index:	5.340%	OAR	4.50%	Issuer Inducement:	TBD
Spread:	1.750%	FMV per NOI	18,468,664	CDLAC Allocation:	TBD
Base Interest Rate (not including cushi	7.090%	Agg. Credit Value @ 0.9199	40,675,543	Percent of CDLAC Allocator	0.00%
Cushion - Total	0.750%	Perm-Only Soft Debt	29,651,301	Const-only portion:	46,777,000
Interest Rate (All-In)	7.840%	Total Value	88,795,508	CDLAC Per-Unit Limit	75,172,500
<i>Bank Underwriting Cushion</i>	<i>0.75%</i>	LTV:	85.00%	CDLAC 55% Limit	52,991,000
<i>Index Increase Cushion</i>	<i>0.00%</i>	Max. Const. Loan Amount	75,476,182	50% Test Target	55.00%
		Commitment Amount	TBD	Target Limit	52,991,980

Uses of Funds	Version: 1.20
----------------------	---------------

	Res Cost: Res Sq Foot:	89.69% 79.79%		COST ALLOCATIONS				LIHTC ELIGIBLE BASIS		OTHER BASIS & COST ALLOCATIONS					
				Assuming 266 Election? No				Const./	Rehab	Acquisition	Deferred to Completion or Perm Conv.	Land/Basis for 50% Test	Historic Rehab Tax Credit Basis	ITC Tax Credit Basis (Solar PV)	
				Total		Total Non-									Depreciable
				Residential	Residential	Non-Residential	Residential	Non-Residential	Non-Residential	Rehab	Acquisition				
ACQUISITION COSTS															
<i>Total Purchase Price - Real Estate: 28,000,000</i>															
Land - Venice Dell	28,000,000	200,000	25,114,211	2,885,789	28,000,000					0	0	0	0		
Legal - Predevelopment	450,000	3,214	403,621	46,379	450,000	0	0		0	0	450,000				
Land Holding Costs	50,000	357	44,847	5,153	50,000				0	0	50,000				
HARD COSTS															
Total Construction Contract:															
71,335,759															
NEW CONSTRUCTION															
Demolition & Abatement	115,134	822	115,134	0	115,134	0	0		0	0	115,134	0			
Hard Costs-Unit Construction	40,485,613	289,163	40,485,613	0	40,485,613	0	0		40,485,613	0	40,485,613	40,485,613			
Personal Property in Construction Contract	1,381,500	9,868	1,381,500	0	1,381,500	0	0		1,381,500	0	1,381,500				
Site Improvements/Landscape	1,484,025	10,600	1,484,025	0	1,484,025	0	0		1,484,025	0	1,484,025				
Rough Grading	485,051	3,465	485,051	0	485,051	0	0		485,051	0	485,051				
GC - General Conditions	5,252,806	37,520	4,671,375	581,431	4,671,375	581,431	0		4,671,375	0	5,252,806	5,252,806			
GC - Overhead & Profit	2,918,224	20,844	2,595,208	323,016	2,595,208	323,016	0		2,595,208	0	2,918,224	2,918,224			
GC - Insurance	831,694	5,941	739,634	92,060	739,634	92,060	0		739,634	0	831,694	831,694			
GC - Bond Premium	831,694	5,941	739,634	92,060	739,634	92,060	0		739,634	0	831,694	831,694			
Construction - Other - Prevailing Wage Pre	8,754,677	62,533	8,754,677	0	8,754,677	0	0		8,754,677	0	8,754,677	8,754,677			
Construction - Other - Photovoltaic System	1,250,000	8,929	1,250,000	0	1,250,000	0	0		1,250,000	0	1,250,000				1,250,000
Construction - Other - Site Utilities	1,085,000	7,750	1,085,000	0	1,085,000	0	0		1,085,000	0	1,085,000	1,085,000			
Construction - Other - BIP	1,162,748	8,305	0	1,162,748	0	1,162,748	0		0	0	1,162,748	1,162,748			
Construction - Commercial - Core & Shell	5,297,593	37,840	0	5,297,593	0	5,297,593	0		0	0	5,297,593	5,297,593			
Contingency - Owner's Construction 5.0%	3,566,788	25,477	2,811,897	754,891	2,811,897	754,891	0		2,811,897	0	3,566,788	3,566,788			
SOFT COSTS															
Architecture - Design	3,902,207	27,873	3,500,030	402,177	3,500,030	402,177	0		3,500,030	0	3,902,207	3,902,207			68,377
Design/Engineering	210,833	1,506	189,104	21,729	189,104	21,729	0		189,104	0	210,833	210,833			3,694
Design/Engineering - LEED/CASp	150,000	1,071	134,540	15,460	134,540	15,460	0		134,540	0	150,000	150,000			
Phase I/II/Toxics Report	40,000	286	35,877	4,123	35,877	4,123	0		35,877	0	40,000	40,000			
Special Inspections/Testing	200,000	1,429	179,387	20,613	179,387	20,613	0		179,387	0	200,000	200,000			
Environmental / CEQA	380,000	2,714	340,836	39,164	340,836	39,164	0		340,836	0	380,000	380,000			
Owner's Rep / Construction Supervision	182,000	1,300	163,242	18,758	163,242	18,758	0		163,242	0	182,000	182,000			3,189
Consultant: Dry Utility	25,000	179	22,423	2,577	22,423	2,577	0		22,423	0	25,000	25,000			
Local Development Impact Fees	500,000	3,571	448,468	51,532	448,468	51,532	0		448,468	0	500,000	500,000			
Local Permits/Fees	1,200,000	8,571	1,076,323	123,677	1,076,323	123,677	0		1,076,323	0	1,200,000	1,200,000			
Relocation - Permanent	800,000	5,714	800,000	0	800,000	0	0		800,000	0	800,000				
Insurance During Const	1,250,000	8,929	1,121,170	128,830	1,121,170	128,830	0		1,121,170	0	1,250,000	1,250,000			21,903
Appraisal	15,000	107	13,454	1,546	13,454	1,546	0		13,454	0	15,000	15,000			
Market/Rent Comp Study	25,000	179	25,000	0	25,000	0	0		25,000	0	25,000				
Planning/Entitlements	400,000	2,857	358,774	41,226	358,774	41,226	0		358,774	0	400,000	400,000			
HCD Pooled Transition Reserve Fee	370,080	2,643	370,080	0	370,080	0	0		370,080	0	370,080				
LACDA Monitoring Fee	7,150	51	7,150	0	7,150	0	7,150		0	0	7,150				
Soft Cost Contingency	350,000	2,500	313,928	36,072	313,928	36,072	0		313,928	0	350,000	350,000			
Prefix Loan Interest/Fees	949,000	6,779	851,192	97,808	851,192	97,808	353,165		595,835	0	595,835	595,835			
Construction Loan Interest	9,560,947	68,292	8,575,559	985,388	8,575,559	985,388	3,329,205		5,589,474	0	6,231,742	6,231,742			103,997
Construction Loan Interest - Tail	1,174,787	8,391	1,053,709	121,078	1,053,709	121,078	995,582		160,735	0	179,205	179,205			2,991
Paid Interest - LAHD - AHMP	504,000	3,600	504,000	0	504,000	0	0		276,377	0	276,377				
Accrued Interest - LACDA - AHTF	520,835	3,720	520,835	0	520,835	0	155,459		365,376	0	365,376				
Paid Interest - LAHD - ULA/AHTF	900,000	6,429	900,000	0	900,000	0	0		548,064	0	548,064				
Title/Recording/Escrow - Construction	90,000	643	80,724	9,276	80,724	9,276	0		80,724	0	90,000	90,000			
Title/Recording/Escrow - Permanent	20,000	143	17,939	2,061	17,939	2,061	20,000		0	0	0				
Legal (Owner): Construction Closing	90,000	643	80,724	9,276	80,724	9,276	0		80,724	0	90,000	90,000			
Permanent Closing	25,000	179	22,423	2,577	22,423	2,577	25,000		0	0	0				
Organization of Ptnshp	25,000	179	25,000	0	25,000	0	25,000		0	0	0				
Syndication - LP	55,000	393	55,000	0	55,000	0	0		0	0	0				
Syndication Consulting	85,000	607	85,000	0	85,000	0	0		0	5,000	0				
Audit/Cost Certification	30,000	214	30,000	0	30,000	0	0		0	0	0				
TCAC Application/Res/Monitoring Fee	143,717	1,027	143,717	0	143,717	0	0		0	98,000	0				
Marketing	48,000	343	48,000	0	48,000	0	48,000		0	0	0				
Furnishings Not in Contract	605,000	4,321	605,000	0	605,000	0	0		605,000	0	605,000				
Start-up/Lease-up Expenses	50,000	357	50,000	0	50,000	0	0		0	0	0				
Capitalized Operating Reserve (3 mos.)	716,000	5,114	716,000	0	716,000	0	0		0	716,000	0				
Developer Fee	2,800,000	20,000	2,511,421	288,579	2,511,421	288,579	0		2,511,421	0	1,400,000	2,800,000	2,800,000		218,123
COSTS OF ISSUANCE															
Bond Counsel	75,000	536	75,000	0	75,000	0	75,000		0	0	0				
Trustee Counsel	4,750	34	4,750	0	4,750	0	4,750		0	0	0				
Issuer Financial Advisor	45,000	321	45,000	0	45,000	0	45,000		0	0	0				
Issuer Application Fee + TEFRA Fee	60,018	429	60,018	0	60,018	0	60,018		0	0	0				
Issuer Fee - Upfront	166,626	1,190	166,626	0	166,626	0	166,626		0	0	0				
Issuer Fee - Annual During Const.	339,252	2,423	339,252	0	339,252	0	339,252		0	0	0				
Construction Lender Origination Fee	508,878	3,635	456,431	52,447	456,431	52,447	269,768		30,998	0	300,766	300,766			
Construction Lender Expenses	40,000	286	35,877	4,123	35,877	4,123	16,358		21,205	0	23,642	23,642			
Construction Lender Counsel	60,000	429	53,816	6,184	53,816	6,184	31,807		3,655	0	35,462	35,462			
Permanent Lender Expenses	10,000	71	8,969	1,031	8,969	1,031	10,000		0	0	0				
Permanent Lender Counsel	35,000	250	31,393	3,607	31,393	3,607	35,000		0	0	0				
Permanent Loan Origination Fee	46,605	333	41,802	4,803	41,802	4,803	46,605		0	0	0				
Trustee Fee During Construction	15,000	107	15,000	0	15,000	0	15,000		0	0	0				
CDIAC Fee	18,547	132	18,547	0	18,547	0	18,547		0	0	0				
CDIAC Fee	5,000	36	5,000	0	5,000	0	5,000		0	0					

Developer Fee Calculation

Version: 1.20

MAXIMUM DEVELOPER FEE CALCULATION

	<u>CONST.</u>	<u>ACQ.</u>	<u>TOTAL</u>
Fee per Base TCAC Formula	13,867,330	0	13,867,330
<i>Percent of Total</i>	<i>100.00%</i>	<i>0.00%</i>	<i>100.00%</i>
Max. Allowable Fee per TCAC (prorated)	13,867,330	0	13,867,330
<i>Less: Development Consulting</i>	<i>0</i>		<i>0</i>
Net Allowable	13,867,330	0	13,867,330
<i>Less: Owner Reduction</i>	<i>0</i>	<i>0</i>	<i>0</i>
Net Allowable	13,867,330	0	13,867,330
Maximum Base Developer Fee per TCAC			13,867,330
Maximum Developer Fee per HCD			N/A
Maximum Developer Fee per Local			2,800,000
Maximum Developer Fee per Owner			6,000,000
Maximum Developer Fee at Max Cash Fee			
Most Restrictive Maximum Developer Fee:			2,800,000
Maximum Cash Fee per TCAC (<i>Lesser of Calc. or Reservation Amount</i>)			6,000,000
Maximum Cash Fee per HCD			2,800,000
Maximum Cash Fee per LAHD			2,800,000
Maximum Cash Fee per Owner			N/A
Most Restrictive Maximum Cash Fee:			2,800,000

ACTUAL DEVELOPER FEE PAYMENT SCHEDULE

	<u>Amount</u>	<u>% of Cash Fee</u>	<u>% of Total Fee</u>
Construction Close	1,120,000	40.00%	40.00%
Completion	280,000	10.00%	10.00%
Conversion	1,250,000	44.64%	44.64%
Final LP Pay-in 1	150,000	5.36%	5.36%
Total: Cash Fee	2,800,000		
Plus: Deferred Developer Fee	0		0.00%
Plus: GP Capital	0		0.00%
Total Developer Fee	2,800,000		

Unit Mix & Rental Income	Version: 1.20
--------------------------	---------------

AVERAGE AFFORDABILITY FOR LIHTC UNITS (% of Median)	39.85%
9% TCAC INCOME TARGETING PTS:	50.00
RENT LIMITS AS OF YEAR:	2024

UTILITY ALLOWANCES	0BR	1BR	2BR	3BR	4BR	5BR
Venice Dell	42	60	76	94	-	-
	-	-	-	-	-	-

RESIDENTIAL INCOME

LIHTC - Tier 1 Venice Dell TCAC 30% AMI % of Units: 50.74%										Section 8 SUBSIDIZED					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	42	341	30.0%		728	686	686	28,812	345,744	42	2,754	2,068	86,856	1,042,272	1,388,016
1BR	15	514	30.0%		780	720	720	10,800	129,600	15	3,156	2,436	36,540	438,480	568,080
2BR	11	858	30.0%		936	860	860	9,460	113,520	11	3,872	3,012	33,132	397,584	511,104
3BR	1	925	30.0%		1,082	988	988	988	11,856	0	3,371	2,383	0	0	11,856
TOTAL	69							50,060	600,720	68			156,528	1,878,336	2,479,056

Per AB 744, HCD Low rents required on 100% of units

LIHTC - Tier 2 Venice Dell TCAC 50% AMI % of Units: 49.26%										NOT SUBSIDIZED					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	47	341	42.5%		1,031	1,171	989	46,483	557,796	0	0	0	0	0	557,796
1BR	11	514	45.3%		1,178	1,240	1,118	12,298	147,576	0	0	0	0	0	147,576
2BR	9	858	42.5%		1,326	1,484	1,250	11,250	135,000	0	0	0	0	0	135,000
TOTAL	67							70,031	840,372	0			0	0	840,372

Staff Units - Site 1 Venice Dell									
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent
2BR	4	858	0.0%		0	0	0	0	0
TOTAL	4							0	0

TOTAL RESIDENTIAL INCOME															
	Number	Total Monthly Net Rent	Total Annual Net Rent	Monthly Section 8 Income	Annual Section 8 Income	Monthly NA Income	Annual NA Income	Monthly Test C Income	Annual Test C Income	Monthly Test D Income	Annual Test D Income	Grand Total Income	Total Floor Area		
LIHTC	136	120,091	1,441,092	156,528	1,878,336	0	0	0	0	0	0	3,319,428	61,798		
Non-LIHTC	0	0	0	0	0	0	0	0	0	0	0	0	0		
Staff Units	4	0	0	0	0	0	0	0	0	0	0	0	3,432		
TOTAL	140	120,091	1,441,092	156,528	1,878,336	0	0	0	0	0	0	3,319,428	65,230		

MISCELLANEOUS INCOME			
	Per Unit Per Month	Monthly Total	Annual Total
Laundry / Vending	4.86	680	8,160
Other	0.00	0	0
Parking	0.00	0	0
TOTAL	4.86	680	8,160

SUBSIDIZED UNIT MIX SUMMARY						
Unit Type	Units With Section 8	Units With NA	Units With Test C	Units With Test D	Units Without Subsidy	Total Units
0BR	42	0	0	0	47	89
1BR	15	0	0	0	11	26
2BR	11	0	0	0	13	24
3BR	0	0	0	0	1	1
TOTAL	68	0	0	0	72	140

SCATTERED SITE UNIT MIX SUMMARY															
LIHTC					Non-LIHTC					STAFF UNITS					
Unit Type	Venice Dell				Venice Dell					Venice Dell					
0BR	89	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1BR	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2BR	20	0	0	0	0	0	0	0	0	4	0	0	0	0	0
3BR	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	136	0	0	0	0	0	0	0	0	4	0	0	0	0	0

TOTAL ALL TYPES					
Unit Type	Venice Dell				
0BR	89	0	0	0	0
1BR	26	0	0	0	0
2BR	24	0	0	0	0
3BR	1	0	0	0	0
TOTAL	140	0	0	0	0

Calculation of Tax Credits	Version: 1.20
-----------------------------------	----------------------

	FEDERAL			CALIFORNIA		
	ACQUISITION	CONST/ REHAB	TOTAL	ACQUISITION	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	0	85,032,631	85,032,631	0	85,032,631	85,032,631
Less:						
50% Energy Investment Tax Credit (Res. Portion)	0	0	0	0	0	0
Historic Tax Credit (Res. Portion)	0	0	0	0	0	0
Non-Eligible Federal Financing	0	0	0	0	0	0
Non-Eligible Grants	0	0	0	0	0	0
ELIGIBLE BASIS	0	85,032,631	85,032,631	0	85,032,631	85,032,631
<i>Threshold Basis Limit</i>			195,488,985			
<i>TBL: Exclude GP Cap/DDF for 4%/State</i>			0			
REQUESTED UNADJUSTED ELIGIBLE BASIS (For Tiebreaker)	0	85,032,631	85,032,631	0	85,032,631	85,032,631
HIGH COST ADJUSTMENT (Y or N) Y DDA 2024	100.0%	130.0%		100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS	0	110,542,421	110,542,421	0	85,032,631	85,032,631
APPLICABLE FRACTION*	100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS	0	110,542,421	110,542,421	0	85,032,631	85,032,631
CREDIT RATE (TCAC UNDERWRITING) Total State Annual Federal / Yr 1-3 State Yr 4 State	4.00%	4.00%		0.00%	30.00%	
				9.00%	9.00%	
				3.00%	3.00%	
MAX. POTENTIAL FEDERAL CREDIT (No Vol Basic Reduct/Actual Rate)						
Credit Rates	4.00%	4.00%				
Potential Credit	0	4,421,697	4,421,697			
Credit Rate Locked? YES Dec-21						
MAX. CREDIT AMOUNT PER TCAC UNDERWRITING Annual Federal / Yr 1 State Yr 2 State Yr 3 State Yr 4 State Total	0	4,421,697	4,421,697	0	0	0
				0	0	0
				0	0	0
				0	0	0
				0	0	0
REQUESTED TOTAL STATE CREDIT AMOUNT				0	0	0
ACTUAL TCAC CREDIT RESERVATION Annual Federal / Total State	N/A	N/A	N/A	N/A	N/A	N/A
MAXIMUM ALLOWABLE CREDITS (Lesser of above) Annual Federal / Total State	0	4,421,697	4,421,697	MAX POTENTIAL STATE CREDIT: 25,509,789		
				REQUESTED STATE CREDIT:		0
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			44,216,968			0

Base Year Income & Expense	Version: 1.20
---------------------------------------	----------------------

INCOME		
Scheduled Gross Income - Residential		1,441,092
Total Gross Subsidy Income - Section 8		1,878,336
Misc. Income		8,160
Vacancy Loss - Residential	7.5%	(108,694)
Vacancy Loss - Section 8	7.5%	(140,875)
EFFECTIVE GROSS INCOME		3,078,019
EXPENSES - RESIDENTIAL		
Administrative		
Advertising	0	
Legal	17,588	
Accounting/Audit	70,632	
Security	21,795	
Other: Misc. Admin	62,091	
Total Administrative		172,106
Management Fee		126,000
Utilities		
Gas	24,643	
Electricity	89,808	
Water/Sewer	113,470	
Total Utilities		227,921
Payroll/Payroll Taxes		
On-Site Manager/Office Admin	207,896	
Maintenance Payroll	98,616	
Payroll Taxes/Benefits	120,467	
Total Payroll/Payroll Taxes		426,979
Insurance		652,050
Maintenance		
Painting	0	
Repairs	199,829	
Trash Removal	63,157	
Exterminating	0	
Grounds	0	
Elevator	0	
Misc Supplies	94,645	
Total Maintenance		357,631
Other		
Venice BID Fees	0	
Misc. Tax/License	30,324	
LACDA Monitoring Fee	7,150	
Total Other		37,474
Resident Services		
Tenant Services	140,000	
Total Resident Services		140,000
Replacement Reserve		70,000
Real Estate Taxes		36,768
TOTAL EXPENSES - RESIDENTIAL		2,246,929
Per Unit Per Annum (incl. Reserves)	16,049	
Per Unit Per Annum (w/o taxes/res/svc)	14,287	
TCAC Minimum (w/o taxes/res/svc)	4,700	
TOTAL EXPENSES - COMMERCIAL		0
NET AVAILABLE INCOME		831,090
Less: Mandatory Annual HCD Payment (Grossed Up for DSCR Factor)	1.35	(150,376)
Less: Ground Lease - Minimum Payment		(1)
ADJUSTED NET AVAILABLE INCOME: TOTAL		680,713
ADJUSTED NET OF COMMERCIAL:		680,713
ADJUSTED NET AVAILABLE INCOME: NET OF OP SUBSIDY		(1,056,748)
Debt Service Coverage Ratio		1.35
AVAILABLE FOR DEBT SERVICE (NET OF OP SUBSIDY)		(782,776)
AVAILABLE FOR DEBT SERVICE (OP SUBSIDY OVERHANG)		1,287,008
NET AVAILABLE INCOME AFTER SENIOR DEBT SERVICE		176,481
NET AVAILABLE COMMERCIAL ONLY INCOME		0

Mortgage Calculation/Bond Ratios	Version: 1.20
---	----------------------

Tax-Exempt Perm Loan			
Uses baseline year NOI; includes annual fees			
Financing Type: Tax-Exempt Perm Loan			
	Underwriting Constraint	Maximum Loan Amount	
Debt Service Coverage	1.35	6,214,370	Rate: 7.310%
Lender Commitment		NA	Term (mths): 420
MAXIMUM MORTGAGE		6,214,370	NOI for DS: <u>680,713</u>
			Max PMT @ DSCR: 504,232
			Annual Fees: <u>11,518</u>
			Annual DS Payment: 492,714

BOND / REHABILITATION RATIOS

Tax-Exempt Financing Ratio	CDLAC Allocation Limit	<i>Effective Date Limits: 6/1/20</i>		
		Units	Per-Unit Limit	Total Limit
Series A Bonds	6,214,000	Studio and SRO	89	522,000
Series B Bonds	0	One BR	26	544,000
Short Term Bonds (Construction Loan Portior	<u>46,777,000</u>	Two BR	24	580,500
TOTAL TAX-EXEMPT FINANCING	52,991,000	Three BR	1	638,500
		Four BR or More	0	671,500
				TOTAL
TOTAL BASIS + LAND ALLOCATION	96,349,054			75,172,500
				Potential Bond Size
Percent Tax-Exempt Financing	55.00%			Over/(Under)
				-22,181,500

Lease-Up / Placed-in-Service Schedule

Version: 1.20

SCHEDULE

	Dates	Months to Milestones	Cumulative Months
Start of Construction	October 1, 2026	0	0
Completion	April 1, 2029	30	30
100% Occupancy	October 1, 2029	6	36
Conversion	February 1, 2030	4	40
Form(s) 8609	August 1, 2030	6	46

LIHTC SCHEDULE

SINGLE BUILDING / MULTIPLE BUILDINGS - GROUP A

1st Tax Credit Year: 2029
Total # Units: 140

Month	Total QO by Month	Total Vacated by Month	Cumulative Occupancy	Cumulative Occupancy %
Jan-29	140	0	140	100.00%
Feb-29	0	0	140	100.00%
Mar-29	0	0	140	100.00%
Apr-29	0	0	140	100.00%
May-29	0	0	140	100.00%
Jun-29	0	0	140	100.00%
Jul-29	0	0	140	100.00%
Aug-29	0	0	140	100.00%
Sep-29	0	0	140	100.00%
Oct-29	0	0	140	100.00%
Nov-29	0	0	140	100.00%
Dec-29	0	0	140	100.00%

1st Year Occupancy: 2029 100.00%

LIHTC SCHEDULE - 2/3 CREDITS

SINGLE BLDG / MULTIPLE BLDGS - GROUP A

1st Tax Credit Year (2/3 Units): 2030

Month	No. Units	Percent
Jan-30	0	0.0%
Feb-30	0	0.0%
Mar-30	0	0.0%
Apr-30	0	0.0%
May-30	0	0.0%
Jun-30	0	0.0%
Jul-30	0	0.0%
Aug-30	0	0.0%
Sep-30	0	0.0%
Oct-30	0	0.0%
Nov-30	0	0.0%
Dec-30	0	0.0%
Total	0	0.0%

Total Avg % Qual. Occ 0.0%

OPERATIONS SCHEDULE

YEAR 1

2029

Completed Lease Up by Month

Month	No. Units	Percent
Jan-29	140	100.0%
Feb-29	0	0.0%
Mar-29	0	0.0%
Apr-29	0	0.0%
May-29	0	0.0%
Jun-29	0	0.0%
Jul-29	0	0.0%
Aug-29	0	0.0%
Sep-29	0	0.0%
Oct-29	0	0.0%
Nov-29	0	0.0%
Dec-29	0	0.0%
Total	140	100.0%

Total % Operating in First Year 100.00%

MULTIPLE BUILDINGS - GROUP B

1st Tax Credit Year: 2030
Total # Units: 0

Month	Total QO by Month	Total Vacated by Month	Cumulative Occupancy	Cumulative Occupancy %
Jan-30	0	0	0	0.00%
Feb-30	0	0	0	0.00%
Mar-30	0	0	0	0.00%
Apr-30	0	0	0	0.00%
May-30	0	0	0	0.00%
Jun-30	0	0	0	0.00%
Jul-30	0	0	0	0.00%
Aug-30	0	0	0	0.00%
Sep-30	0	0	0	0.00%
Oct-30	0	0	0	0.00%
Nov-30	0	0	0	0.00%
Dec-30	0	0	0	0.00%

1st Year Occupancy: 2030 0.00%

MULTIPLE BUILDINGS - GROUP B

1st Tax Credit Year (2/3 Units): 2031

Month	No. Units	Percent
Jan-31	0	0.0%
Feb-31	0	0.0%
Mar-31	0	0.0%
Apr-31	0	0.0%
May-31	0	0.0%
Jun-31	0	0.0%
Jul-31	0	0.0%
Aug-31	0	0.0%
Sep-31	0	0.0%
Oct-31	0	0.0%
Nov-31	0	0.0%
Dec-31	0	0.0%
Total	0	0.0%

Total Avg % Qual. Occ 0.0%

YEAR 2 (cumulative)

2030

Month	No. Units	Percent
Jan-30	140	100.0%
Feb-30	0	0.0%
Mar-30	0	0.0%
Apr-30	0	0.0%
May-30	0	0.0%
Jun-30	0	0.0%
Jul-30	0	0.0%
Aug-30	0	0.0%
Sep-30	0	0.0%
Oct-30	0	0.0%
Nov-30	0	0.0%
Dec-30	0	0.0%
Total	140	100.0%

Total % Operating in 2nd Year 100.00%

PIS SCHEDULE FOR ACQ BASIS DEPRECIATION

YEAR 1

Mid-Month Convention 2029

Month	No. Units	Bldg. PIS by Month Dep. Percent
Jan-29	140	4.2%
Feb-29	140	8.3%
Mar-29	140	8.3%
Apr-29	140	8.3%
May-29	140	8.3%
Jun-29	140	8.3%
Jul-29	140	8.3%
Aug-29	140	8.3%
Sep-29	140	8.3%
Oct-29	140	8.3%
Nov-29	140	8.3%
Dec-29	140	8.3%
TOTAL	140	95.8%

Total Avg % PIS Y1 95.8%

YEAR 2 (cumulative)

Month	No. Units	Percent
Jan-30	140	8.3%
Feb-30	140	8.3%
Mar-30	140	8.3%
Apr-30	140	8.3%
May-30	140	8.3%
Jun-30	140	8.3%
Jul-30	140	8.3%
Aug-30	140	8.3%
Sep-30	140	8.3%
Oct-30	140	8.3%
Nov-30	140	8.3%
Dec-30	140	8.3%
TOTAL	140	100.0%

Total Avg % PIS Y2 100.0%

PIS SCHEDULE FOR REHAB/INC BASIS DEPRECIATION

YEAR 1

Mid-Month Convention 2029

Month	Building No.	No. Units	Percent
Jan-29	1	140	4.2%
Feb-29	0	140	8.3%
Mar-29	0	140	8.3%
Apr-29	0	140	8.3%
May-29	0	140	8.3%
Jun-29	0	140	8.3%
Jul-29	0	140	8.3%
Aug-29	0	140	8.3%
Sep-29	0	140	8.3%
Oct-29	0	140	8.3%
Nov-29	0	140	8.3%
Dec-29	0	140	8.3%
TOTAL	0	140	95.8%

Total Avg % PIS Y1 95.8%

YEAR 2 (cumulative)

Month	No. Units	Percent
Jan-30	0	8.3%
Feb-30	140	8.3%
Mar-30	0	8.3%
Apr-30	0	8.3%
May-30	0	8.3%
Jun-30	0	8.3%
Jul-30	0	8.3%
Aug-30	0	8.3%
Sep-30	0	8.3%
Oct-30	0	8.3%
Nov-30	0	8.3%
Dec-30	0	8.3%
TOTAL	140	100.0%

Total Avg % PIS Y2 100.0%

PIS SCHEDULE FOR SITEWORK/PERS. PROP. DEPRECIATION

YEAR 1

Mid-Year Convention 2029

Month	Building No.	No. Units	Percent
Jan-29	1	140	0.0%
Feb-29	0	0	0.0%
Mar-29	0	0	0.0%
Apr-29	0	0	0.0%
May-29	0	0	0.0%
Jun-29	0	0	0.0%
Jul-29	0	0	8.3%
Aug-29	0	0	8.3%
Sep-29	0	0	8.3%
Oct-29	0	0	8.3%
Nov-29	0	0	8.3%
Dec-29	0	0	8.3%
TOTAL	0	140	50.0%

Total Avg % PIS Y1 50.0%

YEAR 2 (non-cumulative)

Month	No. Units	Percent
Jan-30	0	8.3%
Feb-30	0	8.3%
Mar-30	0	8.3%
Apr-30	0	8.3%
May-30	0	8.3%
Jun-30	0	8.3%
Jul-30	0	8.3%
Aug-30	0	8.3%
Sep-30	0	8.3%
Oct-30	0	8.3%
Nov-30	0	8.3%
Dec-30	0	8.3%
TOTAL	0	100.0%

Total Avg % PIS Y2 100.0%

Calculation of Net Syndication Proceeds	Version:	1.20
--	-----------------	------

		<u>As of Closing</u>
Total Federal Credit (10 yr) & State Credit	44,216,968	0
<i>Total Federal Credit</i>	44,216,968	0
<i>Total State Credit</i>	0	0
Gross Proceeds (Total)	40,675,543	0
<i>Gross Proceeds - Federal Credit</i>	40,675,543	0
<i>Gross Proceeds - State Credit</i>	0	0
Gross Proceeds (net of Energy/Historic Credit Proceeds)	40,675,543	0
Less: LP Syndication Costs		
Attorney	80,000	
Accountant	30,000	
Consulting	85,000	
Other:		
Total Syndication Costs	195,000	0
Total Syndication Costs/Gross Proceeds	0.48% (Syndication Load)	0.00000%
Net Proceeds	40,480,543	0
Net Proceeds/Total Fed and State Credit	0.915498 tax credit price	0.00000
Gross Proceeds (Total)/Total Fed and State Credit	0.919908 tax credit price	0.00000
Gross Proceeds - Federal/State Disaggregated		
Federal	0.920000 tax credit price	1.00000
State	0.880000 tax credit price	0.70000
Net Proceeds - Federal/State Disaggregated		
Federal	0.915498 tax credit price	0.00000
State	0.875694 tax credit price	0.00000
Certificated State Credits		
Total State Credit Certificates	0	
Gross Proceeds from Certificated Credits	0	
Gross Proceeds/Certificated Credit	0.88000	
PV Credit		
Total Energy Credit	0	
LP Share	0	
Gross Proceeds from Energy Credit	0	
Gross Proceeds/Energy Credit	1.00000	
Historic Credit		
Total Historic Credit	0	
LP Share	0	
Gross Proceeds from Historic Credit	0	
Gross Proceeds/Historic Credit	0.75000	
Total Equity		
Gross Proceeds from LIHTC	40,675,543	
Gross Proceeds from Energy Credit	0	
Gross Proceeds from Historic Credit	0	

TCAC Calculations & Scoring	Version: 1.20
--	----------------------

THRESHOLD BASIS LIMIT		
County:	Los Angeles	TCAC Project #:
9% or 4% credits:	4%	CDLAC Project #:
Year:	2024	

Base Limits for Geographic Region			Threshold Basis Limit for This Project			
Unit Type	9%	4%	Unit Type	# Units	Per Unit Basis Limit	Total
0 BR	437,727	437,727	0 BR	89	437,727	38,957,703
1 BR	504,695	504,695	1 BR	26	504,695	13,122,070
2 BR	608,800	608,800	2 BR	24	608,800	14,611,200
3 BR	779,264	779,264	3 BR	1	779,264	779,264
				140		67,470,237

Energy/Resource Efficiency Boosts		Additional Basis Adjustments	
Renewables (50% tot./90% area)	0%	Boost for Prevailing Wage	20.0%
Renewables (75% CA/90% area)	0%	Boost for Project Labor Agreement	0.0%
Title 24 + 15%	0%	Boost for Parking beneath Units	10.0%
Post-rehab improvement > 80%	0%	Boost for Childcare	0.0%
Greywater landscaping	0%	Boost for 100% Special Needs	0.0%
Community gardens > 60 s.f.	0%	Boost for elevator service	10.0%
Natural flooring kitchens	0%	Boost for Type I construction	0.0%
Natural flooring common area	0%	Boost for Type III construction	0.0%
EPA Indoor Air Plus Program met	0%	Subtotal Boost	40.0%
		Boost for Energy / Resource Efficiency	0.0%
		Toxic/Seismic Abatement Costs	0.0%
		Local Development Impact Fees	
		High Opportunity Area	0%
Subtotal Efficiency (Max 10%)	0%	BONDS: Boost for units ≤ 50% AMI (excl. CA credit project)	1.0%
		BONDS: Boost for units ≤ 35% AMI (excl. CA credit project)	2.0%
			67,470,237
		Total Threshold Basis Limit	195,488,985
		Potential Eligible Basis	85,032,631
		Eligible Basis Surplus/(Deficit)	110,456,354

CDLAC Scoring and Tiebreaker (NOTE: based on DRAFT Regulations)	Version:	1.20
--	-----------------	------

FINANCIAL CATEGORIES SCORING AND TIEBREAKER SUMMARY			
	Score	Maximum	
Minimum Income Restrictions	40	20	Total Public Benefit 46,225,208
Minimum Rent Restrictions	10	10	Total Bond & Credit Request 41,816,999
Leveraged Soft Resources	8	8	Tiebreaker 110.54%
Cost Containment	12	12	

FINANCIAL ITEMS SCORING DETAIL	
<i>Section 5230(d): Exceeding Minimum Income Restrictions</i>	
(1) Two points/percent for average affordability lower than 60% AMI	40
(2) Twenty points if average affordability <60% AMI provided 10% <30% AMI and 10% <50% AMI	20
Greater of above (maximum 20)	40
<i>Section 5230(e): Exceeding Minimum Rent Restrictions</i>	
One point/percent weighted average rents are more than 10% below market rents per market study	
Total points (maximum 10)	10
<i>Section 5230(h): Leveraged Soft Resources</i>	
One point for each percentage point calculated when dividing eligible soft sources by residential TDC or two points if large family/SNP in high/highest resource area	
Leveraged Soft Resources	57,821,301
Residential TDC	133,231,779
% Leveraged	43%
Total points (maximum 8)	8
<i>Section 5230(i): Cost Containment</i>	
One point/percent that eligible basis is lower than adjusted TBL, or two points if large family/SNP in high/highest resource area	
Adjusted TBL	148,934,521
Eligible Basis	85,032,631
Difference	63,901,890
% Difference	42%
Total points (maximum 12)	12

TIEBREAKER DETAIL			
Public Benefit			
<i>Unit Production Benefit</i>		<i>Opportunity Benefit</i>	
Adjusted Units	137.60	Large Family/SNP?	Yes
*Benefit/Unit	50,000	Resource Area	Highest
Total Benefit	6,880,000	Adjusted Units	137.60
<i>Rent Savings Benefit</i>		*Adjustment	30,000
Monthly Mkt. Rent	264,452	Total Benefit	4,128,000
Monthly Adj. Rent	138,996	<i>Comprehensive Community Revitalization Benefit</i>	
Monthly Savings	125,456	Revitalization Area?	Yes
*Total Months	180	Adjusted Units	137.60
Total Benefit	22,582,008	*Adjustment	0
<i>Special Needs Population Benefit</i>		Total Benefit	0
SNP Units (max 50%)	68	<i>Total Public Benefit</i>	
*Adjustment	10,000	Unit Production Benefit	6,880,000
Total Benefit	680,000	Rent Savings Benefit	22,582,008
<i>Extremely Low Income Unit Benefit</i>		Special Needs Population Benefit	680,000
ELI Units (max 50%)	68	Extremely Low Income Unit Benefit	1,360,000
*Adjustment	20,000	Sustainability Benefit	10,595,200
Total Benefit	1,360,000	Opportunity Benefit	4,128,000
<i>Sustainability Benefit</i>		Comp. Comm'ty Revitalization Benefit	0
Adjusted Units	137.60	Grand Total Public Benefit	46,225,208
*Transit Points	7	Cost-Adjusted Bond and State Credit Allocation	
*Adjustment	4,000	Tax-Exempt Bond Request	52,991,000
Subtotal Benefit	3,852,800	State Credit Request	0
Adjusted Units	137.60	Unadjusted Bond and Credit Request	52,991,000
*Amenity Points	6	County	Los Angeles
*Adjustment	4,000	Statewide Basis Delta	24.35%
Subtotal Benefit	3,302,400	*25% basis factor	25.00%
High Quality Transit?	Yes	Adjusted Basis Delta	6.09%
Adjusted Units	137.60	Prevailing Wage Modifier	15.00%
*Adjustment	25,000	Type I Construction Modifier	0.00%
Subtotal Benefit	3,440,000	Type III Construction Modifier	0.00%
Total Benefit	10,595,200	Adjusted Basis Delta	6.09%
		1-Total Adjustments	78.91%
		*Unadjusted Bond/Credit Request	52,991,000
		Adjusted Bond/Credit Request	41,816,999
		GRAND TOTAL BOND/CREDIT ALLOCATION	41,816,999

TIEBREAKER SCORE	
Total Public Benefit	46,225,208
Total Bond & Credit Allocation	41,816,999
Tiebreaker Score	110.54%

15-Year Cash Flow		Version: 1.20																						
Assumptions																								
Rent Increase: Residential Tenant Rent	2.00%	Rent Increase - Section 8	2.00%	Perm Loan - % Debt Svc Yr-2	0.0%																			
Rent Increase: Commercial Rents	2.00%			Perm Loan - % Debt Svc Yr-1	0.0%																			
Expenses Increase:	3.00%			Perm Loan - % Debt Svc Yr 0	0.0%																			
Reserve Increase:	0.00%			Perm Loan - % Debt Svc Yr 1	0.0%																			
				Perm Loan - % Debt Svc Yr 2	91.7%																			
Credit Period Year:		(2)	(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
GROSS POTENTIAL INCOME - RESIDENTIAL		0	0	0	1,441,092	1,469,914	1,499,312	1,529,298	1,559,884	1,591,082	1,622,904	1,655,362	1,688,469	1,722,238	1,756,683	1,791,817	1,827,653	1,864,206	1,901,490	1,939,520	1,978,310	2,017,877	2,058,234	2,099,399
Incremental Income: Section 8		0	0	0	1,878,336	1,915,903	1,954,221	1,993,305	2,033,171	2,073,835	2,115,311	2,157,618	2,200,770	2,244,785	2,289,681	2,335,475	2,382,184	2,429,828	2,478,424	2,527,993	2,578,553	2,630,124	2,682,726	2,736,381
Misc. Income		0	0	0	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561	9,752	9,947	10,146	10,349	10,556	10,767	10,982	11,202	11,426	11,654	11,888
Vacancy Loss - Residential	7.5%	0	0	0	(108,694)	(110,868)	(113,085)	(115,347)	(117,654)	(120,007)	(122,407)	(124,855)	(127,352)	(129,899)	(132,497)	(135,147)	(137,850)	(140,607)	(143,419)	(146,288)	(149,213)	(152,198)	(155,242)	(158,346)
Vacancy Loss - Section 8	7.5%	0	0	0	(140,875)	(143,693)	(146,567)	(149,498)	(152,488)	(155,538)	(158,648)	(161,821)	(165,058)	(168,359)	(171,726)	(175,161)	(178,664)	(182,237)	(185,882)	(189,599)	(193,391)	(197,259)	(201,204)	(205,229)
GROSS EFFECTIVE INCOME		0	0	0	3,078,019	3,139,579	3,202,371	3,266,418	3,331,747	3,398,382	3,466,349	3,535,676	3,606,390	3,678,518	3,752,088	3,827,130	3,903,672	3,981,746	4,061,381	4,142,608	4,225,460	4,309,970	4,396,169	4,484,092
Operating Expenses w/ Standard Inflation	3.0%	0	0	0	1,993,011	2,052,801	2,114,385	2,177,817	2,243,151	2,310,446	2,379,759	2,451,152	2,524,687	2,600,427	2,678,440	2,758,793	2,841,557	2,926,804	3,014,608	3,105,046	3,198,198	3,294,144	3,392,968	3,494,757
Operating Expenses w/ Alternate Inflation:																								
Tenant Services	2.5%	0	0	0	140,000	143,500	147,088	150,765	154,534	158,397	162,357	166,416	170,576	174,841	179,212	183,692	188,284	192,992	197,816	202,762	207,831	213,027	218,352	223,811
Real Estate Taxes	2.0%	0	0	0	36,768	37,503	38,253	39,018	39,799	40,595	41,407	42,235	43,080	43,941	44,820	45,716	46,631	47,563	48,515	49,485	50,475	51,484	52,514	53,564
LACDA Monitoring Fee	2.5%	0	0	0	7,150	7,329	7,512	7,700	7,892	8,090	8,292	8,499	8,712	8,929	9,153	9,381	9,616	9,856	10,103	10,355	10,614	10,880	11,152	11,430
TOTAL EXPENSES		0	0	0	2,176,929	2,241,133	2,307,238	2,375,300	2,445,376	2,517,528	2,591,815	2,668,302	2,747,054	2,828,139	2,911,625	2,997,583	3,086,088	3,177,215	3,271,042	3,367,648	3,467,117	3,569,534	3,674,985	3,783,562
NET OPERATING INCOME		0	0	0	901,090	898,446	895,133	891,118	886,370	880,854	874,534	867,374	859,335	850,379	840,463	829,546	817,584	804,531	790,339	774,960	758,343	740,436	721,184	700,530
REPLACEMENT RESERVE	70,000	0	0	0	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Mandatory Annual HCD Payment	0.42%	0	0	0	102,107	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389
Ground Lease - Minimum Payment	1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
NET REMAINING INCOME		0	0	0	831,089	726,338	713,742	709,728	704,980	699,464	693,144	685,984	677,945	668,988	659,073	648,156	636,194	623,140	608,948	593,570	576,953	559,045	539,793	519,140
PERM LOAN - TRANCHE A	Tax-Exempt Perm Loan																							
Principal Balance (Ending)	6,214,000	0	0	0	6,181,073	6,138,828	6,093,389	6,044,516	5,991,947	5,935,404	5,874,587	5,809,172	5,738,811	5,663,131	5,581,730	5,494,175	5,400,001	5,298,708	5,189,756	5,072,568	4,946,521	4,810,944	4,665,118	
Annual Issuer Fee	2,500	0	0	0	0	7,726	7,674	7,617	7,556	7,490	7,419	7,343	7,261	7,174	7,079	6,977	6,868	6,750	6,623	6,487	6,341	6,183	6,014	
Trustee	3,750	0	0	0	0	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	
Series A Bond P&I	492,685	0	0	0	410,571	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	
TOTAL SERIES A DEBT SERVICE		0	0	0	410,571	504,161	504,108	504,051	503,990	503,925	503,854	503,778	503,696	503,608	503,514	503,412	503,302	503,185	503,058	502,922	502,775	502,618	502,448	
NET CASH FLOW		0	0	0	831,089	315,767	209,581	205,620	200,928	195,473	189,219	182,130	174,167	165,292	155,465	144,642	132,782	119,838	105,764	90,512	74,031	56,270	37,175	16,691
Debt Service Coverage Ratio (All Debt)		N/A	N/A	N/A	N/A	1.35	1.42	1.41	1.40	1.39	1.38	1.36	1.35	1.33	1.31	1.29	1.26	1.24	1.21	1.18	1.15	1.11	1.07	1.03
DISTRIBUTION OF CASH FLOW																								
LP AMF	Annual Amt: 5,000 Inflator: 3.50%	0	0	0	0	4,583	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093	8,377	8,670	8,973	9,287
DDF	Annual Amt: 0 Interest Rate: 0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP PMF	Annual Amt: 35,000 Inflator: 3.50%	0	0	0	0	32,083	36,225	37,493	38,805	40,163	41,569	43,024	44,530	46,088	47,701	49,371	51,099	52,887	54,738	56,654	58,637	47,600	28,202	7,404
Residual Receipts Loans	Total % 50.00%																							
LAHD - AHMP	7.34%	0	0	0	10,244	6,173	5,974	5,747	5,490	5,201	4,880	4,525	4,134	3,705	3,238	2,730	2,180	1,586	946	258	0	0	0	0
LAHD Ground Lease Value	32.63%	0	0	0	45,530	27,435	26,553	25,543	24,400	23,117	21,690	20,110	18,372	16,468	14,391	12,134	9,689	7,048	4,203	1,145	0	0	0	0
HCD - AHSC	30.90%	0	0	0	43,125	25,986	25,150	24,194	23,111	21,897	20,544	19,048	17,401	15,598	13,631	11,493	9,177	6,676	3,981	1,084	0	0	0	0
LACDA - AHTF	11.65%	0	0	0	16,261	9,798	9,483	9,122	8,714	8,256	7,746	7,182	6,561	5,881	5,140	4,334	3,460	2,517	1,501	409	0	0	0	0
General Partner	90.00%	0	0	0	747,980	125,595	75,682	73,247	70,461	67,308	63,770	59,832	55,474	50,679	45,427	39,698	33,472	26,728	19,443	11,594	3,158	0	0	0
Limited Partner	10.00%	0	0	0	83,109	13,955	8,409	8,139	7,829	7,479	7,086	6,648	6,164	5,631	5,047	4,411	3,719	2,970	2,160	1,288	351	0	0	0

Full First Year Cash Flow																	1.20				
	MULTIPLIER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20
REVENUE																					
Gross Rent	1.020	1,441,092	1,469,914	1,499,312	1,529,298	1,559,884	1,591,082	1,622,904	1,655,362	1,688,469	1,722,238	1,756,683	1,791,817	1,827,653	1,864,206	1,901,490	1,939,520	1,978,310	2,017,877	2,058,234	2,099,399
Less Vacancy	7.50%	(108,082)	(110,244)	(112,448)	(114,697)	(116,991)	(119,331)	(121,718)	(124,152)	(126,635)	(129,168)	(131,751)	(134,386)	(137,074)	(139,815)	(142,612)	(145,464)	(148,373)	(151,341)	(154,368)	(157,455)
Rental Subsidy	1.020	1,878,336	1,915,903	1,954,221	1,993,305	2,033,171	2,073,835	2,115,311	2,157,618	2,200,770	2,244,785	2,289,681	2,335,475	2,382,184	2,429,828	2,478,424	2,527,993	2,578,553	2,630,124	2,682,726	2,736,381
Less Vacancy	7.50%	(140,875)	(143,693)	(146,567)	(149,498)	(152,488)	(155,538)	(158,648)	(161,821)	(165,058)	(168,359)	(171,726)	(175,161)	(178,664)	(182,237)	(185,882)	(189,599)	(193,391)	(197,259)	(201,204)	(205,229)
Miscellaneous Income	1.020	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561	9,752	9,947	10,146	10,349	10,556	10,767	10,982	11,202	11,426	11,654	11,888
Less Vacancy	7.50%	(612)	(624)	(637)	(649)	(662)	(676)	(689)	(703)	(717)	(731)	(746)	(761)	(776)	(792)	(808)	(824)	(840)	(857)	(874)	(892)
Total Revenue		3,078,019	3,139,579	3,202,371	3,266,418	3,331,747	3,398,382	3,466,349	3,535,676	3,606,390	3,678,518	3,752,088	3,827,130	3,903,672	3,981,746	4,061,381	4,142,608	4,225,460	4,309,970	4,396,169	4,484,092
EXPENSES																					
Operating Expenses:	1.030																				
Administrative		172,106	177,269	182,587	188,065	193,707	199,518	205,504	211,669	218,019	224,559	231,296	238,235	245,382	252,743	260,326	268,136	276,180	284,465	292,999	301,789
Management		126,000	129,780	133,673	137,684	141,814	146,069	150,451	154,964	159,613	164,401	169,333	174,413	179,646	185,035	190,586	196,304	202,193	208,259	214,507	220,942
Utilities		227,921	234,759	241,801	249,055	256,527	264,223	272,150	280,314	288,724	297,385	306,307	315,496	324,961	334,710	344,751	355,093	365,746	376,719	388,020	399,661
Payroll & Payroll Taxes		426,979	439,788	452,982	466,571	480,569	494,986	509,835	525,130	540,884	557,111	573,824	591,039	608,770	627,033	645,844	665,219	685,176	705,731	726,903	748,710
Insurance		652,050	671,612	691,760	712,513	733,888	755,905	778,582	801,939	825,997	850,777	876,301	902,590	929,667	957,557	986,284	1,015,873	1,046,349	1,077,739	1,110,071	1,143,374
Maintenance		357,631	368,360	379,411	390,793	402,517	414,592	427,030	439,841	453,036	466,627	480,626	495,045	509,896	525,193	540,949	557,177	573,893	591,110	608,843	627,108
Other		30,324	31,234	32,171	33,136	34,130	35,154	36,208	37,295	38,414	39,566	40,753	41,976	43,235	44,532	45,868	47,244	48,661	50,121	51,625	53,173
Total Operating Expenses		1,993,011	2,052,801	2,114,385	2,177,817	2,243,151	2,310,446	2,379,759	2,451,152	2,524,687	2,600,427	2,678,440	2,758,793	2,841,557	2,926,804	3,014,608	3,105,046	3,198,198	3,294,144	3,392,968	3,494,757
Tenant Internet Expense*	1.030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Amenities	1.025	140,000	143,500	147,088	150,765	154,534	158,397	162,357	166,416	170,576	174,841	179,212	183,692	188,284	192,992	197,816	202,762	207,831	213,027	218,352	223,811
Replacement Reserve		70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Real Estate Taxes	1.020	36,768	37,503	38,253	39,018	39,799	40,595	41,407	42,235	43,080	43,941	44,820	45,716	46,631	47,563	48,515	49,485	50,475	51,484	52,514	53,564
Ground Lease - Minimum Payment	1.000	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
LACDA Monitoring Fee	1.025	7,150	7,329	7,512	7,700	7,892	8,090	8,292	8,499	8,712	8,929	9,153	9,381	9,616	9,856	10,103	10,355	10,614	10,880	11,152	11,430
Total Expenses		2,246,930	2,311,134	2,377,239	2,445,301	2,515,377	2,587,529	2,661,816	2,738,303	2,817,055	2,898,140	2,981,626	3,067,584	3,156,089	3,247,216	3,341,043	3,437,649	3,537,118	3,639,535	3,744,986	3,853,563
Cash Flow Prior to Debt Service		831,089	828,445	825,132	821,117	816,369	810,853	804,533	797,373	789,334	780,378	770,462	759,545	747,583	734,530	720,338	704,959	688,342	670,435	651,183	630,529
MUST PAY DEBT SERVICE																					
Mandatory Annual HCD Payment		111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389	111,389
TOTAL SERIES A DEBT SERVICE		492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685	492,685
ISSUER & TRUSTEE FEES		11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476
Total Debt Service		615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550	615,550
Cash Flow After Debt Service		215,538	212,894	209,581	205,567	200,819	195,303	188,983	181,823	173,784	164,827	154,912	143,995	132,033	118,979	104,787	89,409	72,792	54,884	35,632	14,979
Debt Coverage Ratio		1.35 9.6%	1.35	1.34	1.33	1.33	1.32	1.31	1.30	1.28	1.27	1.25	1.23	1.21	1.19	1.17	1.15	1.12	1.09	1.06	1.02

Attachment D

Attachment D



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
Real Estate
Affordable Housing
Economic Development

To: LAHD Loan Committee

From: Julie Romey

BERKELEY
A. Jerry Keyser
Timothy C. Kelly
Debbie M. Kern
David Doezema

Date: April 6, 2022

Subject: Venice Dell Community – Loan Committee Report

LOS ANGELES
Kathleen H. Head
James A. Rabe
Gregory D. Soo-Hoo
Kevin E. Engstrom
Julie L. Romey
Tim R. Bretz

Keyser Marston Associates, Inc. (KMA) reviewed the proposed deal terms, the financial gap analysis as well as the supporting information provided by Hollywood Community Housing Corporation and Venice Community Housing Corporation and then independently prepared the following analysis. The following summarizes the proposed transaction.

SAN DIEGO
Paul C. Marra

Project Name:	Venice Dell Community	Former RDA Area:	N/A
Project Address:	2100 S. Pacific Ave, 125, 128, 200, 208, 212, 216, 302, 319 E. Venice Blvd	Council District:	CD 11
Site Size:	TBD Sf	Total GBA:	104,140 Sf
Total Units:	140 Units	PSH Units:	68 Units
Lessee(s):	TBD Limited Partnership		
Developer/Sponsor:	Venice Dell GP, LLC (Joint Venture between Hollywood Community Housing Corporation & Venice Community Housing Corporation)		
Service Provider:	Venice Community Housing Corporation		
Funding Sources:	TE Bonds, 4% Tax Credits, MHP/VHHP, IIG, AHP, AHMP Loan, City Ground Lease, PBVs		
Residential Ground Lease Terms:			
Ground Rent:	\$1.00/Year		
Term:	99 Years (55 Year Initial Term + Four 11 Year Extensions)		
Subordination:	Unsubordinated		
Commercial Ground Lease Terms:			
Ground Rent:	50% of Commercial Residual Receipts		
Term:	99 Years (55 Year Initial Term + Four 11 Year Extensions)		
Subordination:	Unsubordinated		

SUMMARY OF FUNDING REQUEST

Venice Community Housing Corporation (VCHC), a non-profit corporation, and Hollywood Community Housing Corporation (HCHC), a non-profit corporation (the “Developer” or “Developers”) have formed a limited liability company (“LLC”) which is a joint venture that will be the Developer for the Project. Since the Developers are the sole members of Venice Dell, LLC, the LLC may be the entity that enters into the DDA.

VCHC and HCHC will also create a two limited partnerships, which will enter into two Ground Leases with the City and will be the Residential Lessee and Commercial Lessee. The Developer is requesting the following from LAHD:

1. Ground lease the TBD acre site located at 2100 South Pacific Avenue, 125, 128, 200, 208, 212, 216, 302, and 319 East Venice Boulevard (Site), owned by the City of Los Angeles (City) to the Project. The Site will be conveyed as two separate ground leases.
2. Both ground leases will have a 99 year term, based on a 55-year initial term plus four 11-year extensions.
3. Ground Lease Payment:
 - a. Residential Ground Lease: During the Initial Term, the lease payment will be \$1 per year. The payment will be reappraised and adjusted at the time of each extension, in compliance with State Law requirements for long-term leases. If the affordability and commercial use restrictions are no longer in place, then the Project will pay the full fair market value (FMV) lease payment.
 - b. Commercial Ground Lease: During the Initial Term, the lease payment will be 50% of the commercial residual receipts. The payment will be reappraised and adjusted at the time of each extension, in compliance with State Law requirements for long-term leases. If the commercial use restrictions are no longer in place, then the Project will pay the full FMV lease payment.
4. The ground leases and regulatory agreements will not be subordinated to the construction and permanent debt lenders.

The Developer is also requesting that LAHD issue the TE Bonds and provide AHMP funds; however, the Developer will make the official request for these funding sources at a later date.

In summary, the 140 unit Project will provide 136 affordable housing units, of which 68 units will be designated for homeless individuals and families, 34 units will be targeted to low income

artists, 34 units will be designated for very-low and low income families and individuals, and four two-bedroom units will be set aside for the onsite manager (Residential Component), for a minimum of 55 years. The Project will also include 6,220 square feet of commercial space (Commercial Component) that will have use restrictions as well as a 105-space parking garage.

The requested LAHD investment is as follows:

LAHD Residential Ground Lease	\$0
LAHD Commercial Ground Lease	\$0
LAHD Loan	\$6,300,000
Total LAHD Assistance	\$6,300,000
Per Affordable Unit	\$46,300

BACKGROUND STATEMENT

The Site is in Council District 11 and is currently owned and operated by the City’s Department of Transportation (DOT) as a public surface parking lot and a four-plex residential unit that is operated by the City’s General Services Department (GSD) .

Parcel	Address	APN	Location	Parcel Size (Sf)	Legal Description
1	2102-2120 S. Pacific Avenue, 124 E. South Venice Boulevard	4238-024-900	West Side	27,700	Attachment B
2	116-128 E. Venice Boulevard	4238-024-902	West Side	14,000	Attachment B
3	204-208 E. Venice Boulevard	4238-024-903	East Side	6,300	Attachment B
4	214 E. Venice Boulevard	4238-024-905	East Side	6,300	Attachment B
5	302 E. Venice Boulevard	4238-024-906	East Side	3,100	Attachment B
6	301-319 E. Venice Boulevard, 2116 S. Canal Street	4238-024-907	East Side	47,800	Attachment B
7	200 E. Venice Boulevard, 2106 S. Canal Street	4238-024-908	East Side	3,200	Attachment B
8	N/A	4238-024-909	West Side	1,100	Attachment B
9	210-212 E. Venice Boulevard	4238-024-910	East Side	3,200	Attachment B
10	125 E. Venice Boulevard	4238-024-911	West Side	2,700	Attachment B
Total Site				115,580	
Residential Ground Lease Parcel				TBD	
Commercial Ground Lease Parcel				TBD	
Public Parking Garage Parcel				TBD	

LAHD had the Site appraised by Gold Coast Appraisals, Inc., which is dated December 22, 2020 (Appraisal). The Appraisal concludes that the highest and best use of the Site is a Park and Recreation Facilities use and estimates the fair market value of the Site to be \$3,349,000, or approximately \$29 per square foot of land area.

The Site is currently improved with 196 surface parking spaces operated by DOT and one multi-family residential structure that includes four units (3 two-bedroom units and 1 three-bedroom unit).

PROJECT DESCRIPTION

Scope of Development

The mixed-use development will be constructed in two structures, on either side of the Grand Canal. The building on the west side of the canal will include a 105-space, four-level parking garage with three stories of residential/commercial improvements wrapping the parking garage. The building on the east side of the canal will include three-stories of residential / community art space wrapping a 244-space public parking garage that will be developed through a separate agreement (Public Parking Agreement). The Project will provide a total of 140 residential units consisting of 136 affordable units of which 68 units will be permanent supportive housing (PSH) units and 34 units will have an artist preference (Residential Component). The Project will also include 6,220 square feet of commercial space that has been required by the California Coastal Commission (Commercial Component). Approximately 2,255 square feet of commercial space will face Pacific Avenue and 810 square feet will be for a café that will face the Grand Canal, both on the West side of the canal. The remaining 3,155 square feet will be located facing the Grand Canal on the East side of the canal and will be reserved for community artist studio space.

Project Entitlements

The following entitlements were approved for the Project on December 1, 2021: CEQA statutory exemption, vesting tentative tract map, coastal development permit, site plan review, Mello Act compliance, project permit compliance, general plan amendment, zone change, height district change and specific plan amendment. However, the general plan amendment-related entitlements were approved pending the drafting and approval of the two City ordinances needed to implement the General Plan Amendment. While not yet verified by LAHD staff, it is presumed that the City Council approved these ordinances as of the end of April 2022. The final step in the process, to have the Coastal Commission approve the Coastal Permit, is anticipated to occur in April 2022.

Replacement Parking

As required in the RFQ/P and increased by Coastal Commission requirements, the Project is required to replace the 196 existing DOT public parking spaces. The replacement parking spaces will be provided in the 244 space public parking garage located on the east side of the Site. The replacement parking will be financed with a MICLA loan.

Public Parking Garage

The City will develop, own and operate a five-level, 244 space public parking structure on the east side of the Site, which will include the 27 Beach Impact Parking (BIP) spaces that are required for the Project and the 196 replacement public parking spaces. DOT/GSD will enter into a separate Public Parking Agreement with the Developer to construct the public parking garage using the MICLA loan and an estimated \$1,295,000 payment from the Project as funding sources. The Project will not own the BIP spaces or be responsible for maintaining the public parking structure. The east side residential units will be built around the five-level parking structure. Land under the public parking structure as well as the airspace above it will be excluded from the Ground Leases between the City and the limited partnerships that will develop and operate the Project.

The following provides a breakout of the proposed 244 parking spaces that will be available to the public on the east side of the Site:

East Side Public Parking Garage	Parking Spaces
Boat Launch Spaces	2
BIP Spaces	27
Replacement Spaces	196
Additional Spaces	19
Total Public Parking Spaces	244

Environmental Condition of Site

Phase I and Phase II Environmental Site Assessments have been completed for the Site, and there was no evidence or indications of environmental concerns in connection with the Site. However, the Site is located in a Methane Zone and it is assumed that a passive methane mitigation system will be required. In addition, it is assumed that the existing residential four-plex, which was constructed in 1966, will require lead-based paint and asbestos abatement.

Housing Relocation / Replacement Housing Requirements

The Site is currently improved with a four-plex that is owned and operated by GSD. In May 2020, the four units were occupied, and a Relocation Plan was prepared for the Developer by Shober Relocation Consulting, Inc. At the time, there was no over-crowding issues with the units. It is planned that the four units will be replaced in the Project. However, recently it has been discovered that one of the units in the four-plex is a three-bedroom unit. Since the Project doesn't include any three-bedroom units, the Developer has stated that the replacement housing obligation will be met onsite per the Mello Act and is currently working with the architect to include a third-bedroom unit.

The Relocation Plan estimated the total relocation costs to be \$377,350 for relocating the tenants in fiscal year 2020/21. The Developer has budgeted \$400,000 for permanent relocation costs, or \$100,000 per household.

Project Timeline

The entitlements were to be secured in April 2022 while the proposed financing is expected to be secured by October 2023. Construction is expected to last 30 months with the Project anticipated to be placed in service by April 2026.

SUMMARY OF LESSEE

The Lessee will be a to-be-determined limited partnership., which will include the following entities:

<i>Managing General Partner</i>	Venice Dell GP, LLC (Hollywood Community Housing Corporation – 49% Owner, Venice Community Housing Corporation – 51% Owner and Managing Member)
<i>Limited Partner</i>	Tax Credit Investor to be determined at closing.

SUMMARY OF DEVELOPMENT TEAM

The development team includes the following entities:

<i>Lead Developer</i>	Venice Community Housing Corporation
<i>Co-Developer</i>	Hollywood Community Housing Corporation
<i>Service Provider</i>	Venice Community Housing Corporation
<i>Property Manager</i>	To Be Determined
<i>Architect</i>	Eric Owen Moss Architects
<i>General Contractor</i>	To Be Determined

SUMMARY OF UNDERWRITING ANALYSIS

The Developer provided the pro forma on January 12, 2022, which KMA reviewed and found to be reasonable given the current high cost environment in Southern California as well as the LAHD underwriting guidelines. Please see the Developer's pro forma included in Attachment 2 located at the end of this memorandum. The following summarizes the underwriting analysis performed:

Estimated Total Development Costs

KMA found the Developer's cost estimates to be reasonable and meet the LAHD underwriting guidelines.

1. The Developer will ground lease the property from LAHD for a below fair market value ground rent. The appraised land value is \$3,349,000. Assuming a market ground lease rate of 6%, the market ground rent is estimated at \$200,940 per year. While the Project is not expected to have significant remediation issues, there is a \$400,000 budget for permanent relocation costs. The Developer estimated \$80,000 in holding and closing costs. Therefore, the assemblage costs are estimated at \$480,000.
2. The direct construction costs are estimated to total \$68,168,000, or \$486,900 per unit and \$655 per square foot GBA. This estimate includes approximately \$319,000 for offsite improvements and approximately \$29 per square foot of land area for site improvements, \$48,000 per BIP space to be paid to DOT/GSD, the developer of the public parking garage on the East side of the canal, \$530 per square foot of GBA for the Commercial Component core and shell costs, and \$321,500 per unit for Residential Component, including the West side parking structure core and shell costs. These costs include a premium for State and Federal prevailing wage requirements and Measure JJJ requirements. A project labor agreement will not be required.
3. The indirect costs are estimated at \$11,307,000, of which \$3,300,000 is the estimated developer fee. The developer fee estimate is the maximum allowed by TCAC and LAHD underwriting guidelines.
4. The financing costs are estimated to total \$6,914,000. This estimate includes costs related to \$45,120,000 in TE Bonds. The Developer is also assuming approximately three months in operating reserves and approximately six months in transition reserves per HCD requirements.

The estimated development costs total \$86,870,000, or \$620,500 per unit and \$834 per square foot of GBA. Approximately \$7,061,000 of the total costs have been allocated to the 6,220 square feet of Commercial Component, or \$1,135 per square foot of GBA. The Residential Component is

estimated to cost approximately \$79,809,000, or \$815 per square foot of GBA and \$570,100 per unit.

Stabilized Net Operating Income

RESIDENTIAL COMPONENT

Based on the proposed affordability restrictions, KMA estimates the maximum revenue generated by the Residential Component is \$1,960,100. This estimate assumes that the Project will receive 68 project-based vouchers (PBV) from HACLA in the February 2022 round, and an 5% vacancy and collection allowance.

The operating expenses are estimated at \$9,065 per unit, which includes \$500 per unit per year for replacement reserves, \$1,000 per unit in tenant services, and \$16,000 per year for property taxes. The general operating expenses estimated at \$7,451 per unit is higher than the \$6,400 per unit minimum for special needs projects in Los Angeles. In addition, the operations will support a \$129,208 per year mandatory HCD payment for the MHP/VHHP loan, a \$5,600 per year issuer/trustee fees, and a \$1 annual ground rent payment.

The stabilized net operating income from the Residential Component of the Project is estimated to be \$691,000.

NON-RESIDENTIAL COMPONENT

The inclusion of the commercial space is in response to Coastal Commission requirement to include some visitor-serving purposes in residential sites and from community engagement. The Commercial space will be restricted with the following use restrictions for 55-years from the Certificate of Occupancy (“COO”) as follows:¹

- The ground floor commercial space along Pacific Avenue will be prioritized for small businesses, MBE-WBE businesses, and/or micro-enterprises that provide small-scale, neighborhood and visitor-serving retail;
- A small café/coffee shop type use has been included on the West side facing the Grand Canal; and
- Additionally, there is community art studio space on the East side, facing the Grand Canal.

Based on a review of current commercial rents in the Venice area and information provided by a local broker, KMA found the commercial rents could range from approximately \$30 to \$60 per

¹ The exact use restrictions will be finalized at a later date.

square foot annually NNN. When just the commercial space on Pacific Avenue and the café are considered, approximately 3,065 square feet, the potential gross income could range from \$91,950 to \$183,900 per year, before vacancy allowance and asset management fees are taken into account. However, given that the use restrictions have not yet been finalized and the size of the space, KMA has determined that this component of the Project would not be able to generate significant funding sources, especially once it is taken into account that the Commercial Ground Lease will not be subordinated to any lender.

Financing Structure

The following summarizes the Developer’s proposed financing structure for the Project:

TAX-EXEMPT BONDS

The following summarizes the proposed terms for the TE Bonds to be awarded by CDLAC and issued by LAHD:

	TE Bonds	Taxable Tail
Bond Amount – Construction	\$45,120,000	\$19,076,000
Term	30 Months	30 Months
Interest Rate	3.75%	4.00%
Security	Trust Deed, Subordinated to Ground Lease	

	Tranche A
Bond Amount - Permanent	\$5,488,000
Term	20 Years
Interest Rate	5.911%
Debt Coverage Ratio	1.15
Annual Debt Service	\$461,613
Security	Trust Deed, Subordinated to Ground Lease

FEDERAL TAX CREDIT EQUITY

The following summarizes the anticipated federal tax credit equity to be generated by the Project:

Eligible Basis	\$74,090,682
QCT/DDA Adjustment	130%
Applicable Fraction	100%
Applicable Percentage	4.00%
Total Federal Tax Credits	\$38,527,155
% of Gross Tax Credit Taken	100%
Syndication Value	\$0.90/Tax Credit
Net Tax Credit Equity	\$34,671,000

% Allocated During Construction	15%
--	-----

It should be noted that \$7,060,000 of the Net Tax Credit Equity proceeds will be used to fund the Commercial Component of the Project.

HCD LOANS AND GRANTS

The Developer plans to apply for a total of \$38,264,000 in the Super NOFA that is due in June 2022. Based on the current pro forma, \$30,764,000 will be funded from the MHP or VHHP programs. The remaining \$7,500,000 is proposed to be funded from the IIG program. It should be noted that HCD released the Super NOFA and guidelines on March 30, 2022. KMA has not had an opportunity to determine whether the Developer’s proposed HCD application will meet the updated guidelines or how competitive the Project will likely be. None of the MHP/VHHP loan will be available during construction while the IIG funds will be available during construction.

HCD now requires that if IIG funds are provided to a project with additional HCD funds, then HCD is to receive a prorated share of 50% of residual receipts based on the IIG amount. While the Developer’s pro forma shows this amount going to the limited partnership, the annual payment will be paid to HCD.

LACDA LOANS

The Project will not be applying for funds from LACDA as the Project’s architect does not meet the LACDA experience requirements.

LAHD LOANS

The Developer has applied for \$6,300,000 in HOME funds from the Affordable Housing Managed Pipeline (AHMP). An estimated 100% of the AHMP Loan will be utilized during construction. It is assumed that this loan will be repaid with a proration share of the 50% of residual receipts payment with the other soft lenders. It should be noted that the Developer is assuming that approximately \$97,000 in interest will be accrued between COO and the permanent loan closing. It is KMA’s understanding that LAHD allows the interest on the LAHD loans to accrue from COO to permanent loan closing.

AHP LOAN

The Developer applied to the Federal Home Loan Bank for a \$1,250,000 Affordable Housing Program (AHP) loan, or \$8,900 per unit in the March 2022 funding round.

DEFERRED / CONTRIBUTED DEVELOPER FEE

The total developer fee is estimated at \$3,300,000, which is the maximum allowed under the TCAC underwriting guidelines. The Developer proposes to contribute approximately \$800,000 of

the developer fee. The net cash to be received by the Developer is \$2,500,000, which is the maximum allowed by the LAHD underwriting guidelines.

Financial Gap Analysis (Attachment 1 – Table 3)

Based on the KMA analysis, the following estimates the financial gap associated with the proposed Project:

	Residential Component	Commercial Component	Total Project
Potential Funding Sources	\$79,809,000	\$7,061,000	\$86,870,000
(Less) Total Development Costs	(79,809,000)	(7,061,000)	(86,870,000)
Financial Surplus / (Gap)	\$0	\$0	\$0
Per Affordable Unit	\$0	\$0	\$0

This analysis concludes that there isn't a financial gap or surplus. Therefore, it is concluded that the Project essentially requires free land to be feasible and a below market ground lease is appropriate.

PROPOSED SOURCES AND USES

Sources and Uses – Developer Assumptions			
	Acquisition / Predevelopment	Construction	Permanent
Predevelopment Loan	\$3,273,000	\$0	\$0
TE Bonds	0	45,120,000	5,488,000
Taxable Tail	0	19,076,000	0
Federal Tax Credit Equity	0	5,201,000	34,571,000
HCD Loan – MHP/VHHP	0	0	30,764,000
HCD Loan – IIG	0	7,500,000	7,500,000
LACDA Loan	0	0	0
LAHD Loan	0	6,397,000	6,397,000
AHP Loan	0	1,250,000	1,250,000
Deferred Costs	0	0	0
Deferred Developer Fee	0	0	0
Contributed Developer Fee	0	800,000	800,000
Total Sources	\$3,273,000	\$86,870,000	\$86,870,000

	Acquisition / Predevelopment	Construction	Permanent
Acquisition Costs	\$50,000	\$480,000	\$480,000
Direct Costs	0	68,168,000	68,168,000
Indirect Costs	2,690,000	11,307,000	11,307,000
Financing Costs	533,000	6,914,000	6,914,000
Total Uses	\$3,273,000	\$86,870,000	\$86,870,000
	Acquisition / Predevelopment	Construction	Permanent
Residential Component	\$3,273,000	\$79,809,000	\$79,809,000
Commercial Component	N/A	\$7,061,000	\$7,061,000

AFFORDABILITY REQUIREMENTS

Ground Lease Regulatory Agreement

LAHD land disposition policy requires the land to be restricted with Health and Safety Code income and rent requirements for 55 years that will not be subordinated to any financing, as follows:

	Income Restriction	Rent Restriction	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
Moderate Income HCD	Schedule VII		89	25	22	136
			89	25	22	136

City Entitlement Requirements

The Project entitlements through AB 1197 and AB 2162 require that 100% of the units be income and rent restricted. As such, the following is a summary of what affordability restrictions will be imposed on the property. These restrictions cannot be subordinated to any financing for the 55-year term.

	Income Restriction	Rent Restriction	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
Low Income HCD	Schedule VII		89	25	22	136
			89	25	22	136

Other LAHD Requirements

The following summarizes the expected HOME loan restrictions that will be placed on the Project for 55 years from COO:

	Income Restriction	Rent Restriction	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
Low HOME Rents	TBD		42	15	11	68
High HOME Rents	TBD		47	10	11	68
			89	25	22	136

CDLAC Requirements

The following summarizes the requirements that the TE Bonds will place on the Project:

	Income Restriction	Rent Restriction	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
60% AMI	TCAC	TCAC	36	10	9	55
Total Units			36	10	9	55

TCAC Requirements

The following summarizes the requirement that TCAC will place on the Project for 55 years from COO:

	Income Restriction	Rent Restriction	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
30% AMI	TCAC	TCAC	42	15	11	68
50% AMI	TCAC	TCAC	47	10	11	68
Total Units			89	25	22	136

ISSUES AND CONCERNS

The following summarizes the issues outlined in the preceding analysis:

- The City Attorney has opined that the residential and commercial components need to be conveyed in separate ground leases. However, the Developer and their Legal Counsel has expressed concern that this structure will likely be unacceptable to the Tax Credit Investor as 100% of the Commercial Component will be funded with Tax Credit equity that will be derived from the Residential Component. LAHD staff has inserted language so that the land can be conveyed through a single ground lease if LAHD and the Investor are unable to make the multiple ground lease scenario work.

- At this time, the Public Parking Garage Agreement has yet to be executed by DOT/GSD and the Developer. The structure needs to be ready to start construction within the CDLAC/TCAC time frames since the east side of the mixed-use Project cannot commence construction until the parking garage is close to completion.
- The Site size and legal description that is in the ENA and to be attached to the Term Sheet includes the Public Parking land parcel and airspace. This issue needs to be resolved before the DDA is entered into. In addition, the legal description for the Residential and Commercial Ground Leases have not yet been prepared.
- The use restrictions that will be placed on the Commercial Component have not yet been clearly defined. This should be done as soon as possible to ensure the restrictions will not interfere with the Project financing.
- Over \$7 million of Tax Credit equity is being used to subsidize the Commercial Component that was essentially required by the California Coastal Commission.
- It is not clear what the marketing plan is for the Commercial Component of the Project and if the Developer plans to use local brokers to lease the space.
- The Developer has not advised the LAHD team how the replacement housing for the three-bedroom unit will be dealt with as the Project currently does not include any three-bedroom units. However, the Developer is currently working with the Architect so that the requirement can be met per the Mello Act.

Borrower Risk

The LAHD Asset Management Group will provide a Background Check prior to the execution of the Agreement.

Collateral Risk

The land will not be subordinated to any of the debt placed on the property. Therefore, the Site will not be at risk of foreclosure.

Project Risk

The Developer has experience with similar projects and has a successful track record.

However, the PBV vouchers will only be guaranteed for 20 years. If the contract is not extended therefore, the Project is expected to experience immediate negative NOI if this were to occur.

Given that the operating reserves would sustain less than one year of negative NOI, the Project would need to change the focus from extremely-low income units.

Financing Risk

Given that obtaining TE Bonds, HCD and AHP funding sources is currently a competitive process, there is considerable risk that the Project will not receive all of these funding sources in the first attempt, and possibly not at all. There is also considerable risk that interest rates will rise between now and the expected loan closing date. If any of these funding sources are not awarded to the Project, the Project financial analysis should be revised. Also, the terms of the ground leases may be an issue for the various lenders and Tax Credit Investor.

RECOMMENDATION

Recommend the approval of the Project subject to the following:

1. Approval of the attached Deal Terms (Attachment 1).
2. A final review of the construction costs prior to closing on the ground lease.

ATTACHMENTS

- No. 1 Term Sheet
 Background Check – To be provided later.


Attachment E

Attachment E

**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

APPROVED: 12/10/2024

Board of Transportation Commissioner



Commission Executive Assistant

Attachment F

Attachment F



December 1, 2025

Melinda Coy, Housing Accountability Unit Chief
California Department of Housing and Community
Development
651 Bannon Street, Suite 400
Sacramento, California 95811

Dear Ms. Coy:

The City of Los Angeles (City) appreciates the opportunity to respond to your Letter of Inquiry (LOI) dated October 3, 2025 concerning the Venice Dell Project (Project), which began in 2016 well before I came into my role as General Manager of LAHD. I am appreciative of the time extension you provided for this response, which allowed various City Departments to meet and review the history of the Project in order to prepare this collaborative response to the LOI. This letter outlines the City's deep and ongoing commitment to affordable housing and to our Housing Element and Affirmatively Furthering Fair Housing (AFFH) obligations, as well as clarifies the history of the Venice Dell Project and demonstrates how the City's handling of the Project is consistent with state Housing Element law. The City is fully committed to expanding opportunities for affordable housing development through the utilization of its Citywide Housing Incentive Program (CHIP), Transit Oriented Communities (TOC) Incentive Program, and other prohousing policies to satisfy the City's Housing Element obligations and exceed its AFFH goals. The City recognizes its obligation to conform with state law while also exercising its charter city authority to determine when proposed projects are infeasible and take appropriate action. As further discussed herein, neither the failure of the Venice Dell Project nor the City's disapproval of any other single pipeline project interferes with the City's ability to uphold its Housing Element and AFFH commitments pursuant to state law.

The City's Affordable Housing Leadership

The City's Housing Element was specifically crafted to prevent the loss of any one pipeline project from undermining the City's commitment to meet its Regional Housing Needs Assessment (RHNA). The City's Housing Element Rezoning Program,

effective as of February 2025, makes enough sites available to yield 563,594 total housing units during the 6th cycle planning period, far in excess of the City's RHNA target of 456,643 total housing units. Furthermore, the Mayor's Executive Directive No. 1 (soon-to-be-codified as the Affordable Housing Streamlining Ordinance), which was not identified or relied upon in the Housing Element, has resulted in applications for more than 41,000 proposed affordable housing units and nearly 31,000 approved affordable units since 2022. Please refer to Exhibit 1 for more details on the City's progress in this regard.

These results reflect the City's track record as a statewide leader in affordable housing production, as the City typically produces approximately 20% of all multifamily housing in California every year, despite comprising just 10% of the total population. The City has enacted significant legislation in the last 10 years promoting affordable and supportive housing, including the TOC Incentive Program in 2016, the Permanent Supportive Housing Ordinance in 2018, and the CHIP Ordinance adopted in February of this year (as part of the Housing Element Rezoning Program) which codified and expanded the TOC. The City is proud of its long-standing demonstrated commitment to affordable housing production and its Prohousing Designation status with HCD.

Project History and General Plan Consistency

As indicated in the City's July 24, 2024 letter to HCD, a number of steps were required before the Venice Dell Project could proceed on the City's Lot No. 731, including securing requisite approvals from the City's Department of Transportation, consideration of potential changes in the Project's design to address concerns about coastal access, replacement parking, and other issues. On December 10, 2024, the Board of Transportation Commissioners (BOTC) determined that Lot No. 731 should be utilized for a transit mobility hub rather than affordable housing. BOTC also recommended conducting a feasibility study to assess pursuing an affordable housing project on Lot No. 701, directly across the street from Lot No. 731. These acts became final last January after the Los Angeles City Council did not veto BOTC's action pursuant to City Charter Section 245, thus the Project cannot proceed on Lot No. 731. As confirmed in a recent Superior Court ruling¹ BOTC has the power to direct the acquisition and management of the City's public parking lots pursuant to Section 22.484(g)(2)(A)(7) of the Los Angeles Administrative Code (LAAC).

As to the fact that Venice Dell was included as a pipeline project in the City's Housing Element, nothing in the Housing Element Law or the City's Housing Element requires the City to approve every pipeline project. The Housing Element references an Exclusive Negotiating Agreement for the Project, which confirms the Project was in the early stages of predevelopment at that time, with many more steps required for it to be

¹ See Los Angeles Superior Court Case No. 22STCP03359 (2024).

approved by the City. Also, the City's Housing Element Rezoning Program, which rezoned enough properties to eclipse the City's unmet housing need, includes more than enough sites to support a no net loss finding per Government Code Section 65863, even if the Venice Dell Project site (as a site in the Housing Element inventory) is not developed for affordable housing.

Additionally, BOTC's action did not otherwise violate state Housing Element law or any mandate in the City's Housing Element. As provided in state law and explicitly in the City's Housing Element, City actions do not need to implement every policy or program in all of the City's general plan elements, including the Housing Element. The City's Housing Element explicitly provides that:

Not all plan policies can be achieved in any single action, and, in relation to any decision, some goals may be more compelling than others. On a program-by-program basis, taking into consideration factual circumstances, decision makers will determine how best to implement the adopted policies ***of the General Plan*** in any way which best serves the public health, safety, and general welfare. (Chapter 6, page 243.)

BOTC's designation of Lot No. 731 for a transit mobility hub and Lot No. 701 for affordable housing development, also located in a high resource area, furthers several General Plan policies including AFFH. BOTC's actions provide increased transit opportunities and beach access to all socioeconomic groups, including lower income residents, seniors and the disabled. (See e.g., 2035 Mobility Plan Program SF.13 (Mobility Hub/Multi-Modal transit plaza); 2035 Mobility Plan Policy 3.5 Multi-Modal Features, 4.1 New Technologies, and 4.2 Dynamic Transportation Information; Complete Streets Policies.)

By identifying Lot No. 701 for affordable housing, BOTC's action is also consistent with Housing Element policy 1.2.10 (prioritizing development of affordable housing on public land) and Program 15 (public land for affordable housing). It also furthers AFFH as it is located in a higher opportunity area. Although not required to meet the City's obligations under the Housing Element Law or AFFH, the City is aggressively pursuing affordable housing on Lot No. 701 – the City conducted a feasibility study last February (see Exhibit 2) and intends to pursue streamlined review and development of Lot No. 701 for affordable housing during the 6th cycle.

Specific LOI Responses

We provide the following responses to the LOI requests for information in the same order requested:

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.** As referenced above, LAAC Section 22.484(g)(2)(A)(7) provides that BOTC 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." Thus, BOTC is exclusively empowered to approve or deny the use of Lot No. 731 for the Project as part of its ongoing responsibility to manage Lot No. 731. No specific requirements dictate the timing of when the Project must be heard by BOTC, as long as it is ultimately put before BOTC for consideration.

Efforts by City staff to schedule a BOTC hearing for the Project several years ago were delayed by the previous Councilmember; the December 10, 2024 BOTC hearing was scheduled to correct that oversight after the City and the developers prevailed in litigation challenging the Project's entitlements. It is important to note that neither the Project's public parking plan, the City financing required for the replacement public parking structure, the Project's ground lease, nor the additional City financing requested by the developer to address the significant funding gap in the Project's development budget were ever approved by the City, thus the Project never has been "approved."

2. **How the City plans to ensure the Project, or an equivalent project, is developed within the 6th cycle planning period.** As previously discussed, the Venice Dell Project cannot proceed because it has no right to utilize Lot No. 731. With respect to the opportunity to develop affordable housing on Lot No. 701, this site is located 500 feet away from Lot No. 731 at 2150 Dell Avenue, and is also in a higher opportunity area near transit. Lot No. 701 has 150 public parking spaces which the City anticipates will need to be replaced with Coastal Commission approval. Lot No. 701 includes nine small lots and one larger sized lot totaling approximately 51,800 square feet. Preliminary analysis indicates more than 100 units can be built there, and the City anticipates additional details will be available soon regarding the feasibility of developing affordable

housing on Lot No. 701.² The City is prepared to pursue expedited entitlement and procurement processes to select a developer and allow sufficient time for due diligence, financing applications and construction to proceed within the 6th cycle planning period for the production of affordable housing on Lot No. 701.

3. **The City’s plan and timeline to take the CCC’s modifications back to the City Council.** On December 11, 2024, the Coastal Commission approved with suggested modifications the City’s Certified Land Use Plan (LUP) Amendment Request No. LCP-5-VEN-23-0038-1 for the Project, and the Coastal Commission subsequently extended the time for the City to respond to the suggested modifications to June 11, 2026. The Department of City Planning has transmitted the Coastal Commission’s suggested modifications to the City Council. However, since BOTC did not approve the use of Lot No. 731 for the Project, a determination that is now final, the Venice Dell Project is no longer pending.
4. **An explanation for why the City hasn’t added AFFH to its asset evaluation framework and when does it plan to do so.** The last update of the City’s asset evaluation framework (AEF) was approved on July 2, 2024, and the AEF is in the process of being updated to expressly include Affirmatively Furthering Fair Housing (AFFH) criteria by January 30, 2026. The City remains committed to including AFFH in its administration of asset allocation to prioritize high opportunity / higher resourced areas for development of affordable housing. In the current AEF, the City utilizes the California Tax Credit Allocation Committee/HCD Opportunity Maps to prioritize affordable housing development projects in higher resourced areas to facilitate increased access by lower income residents that have historically had limited access to higher opportunity areas.
5. **An explanation as to how the City is using zoning as a consideration to eliminate potential development on public land sites.** Contrary to the LOI’s assertions that (i) the City is “using zoning as a consideration to eliminate potential development on public land” and (ii) the City experienced a “recent shift in policy direction” inconsistent with housing element policies 1.2.5 and 1.2.10 and the stated AFFH objectives of Program 15, the City continues to implement and utilize its highly effective policies as described herein to incentivize new affordable housing

² See Report from the Department of City Planning dated February 21, 2025 (Exhibit 2) for more information.

development across the City and overcome historical barriers related to zoning and land use designation. The City adopted its Permanent Supportive Housing Ordinance (Ord. No. 185,492) in 2018, which expressly authorizes the use of PF (Public Facility) zoned properties for supportive housing projects on City owned land to obviate the need for a zone change.

The cumulative impact of the City's affordable housing policies and programs creates multiple pathways to entitle and approve housing on public land regardless of underlying zoning or other regulatory barriers, and wherever zoning does not allow residential uses, the Department of City Planning conducts a review and identifies any required zone changes and/or general plan amendments that may be required. Please refer to Exhibit 1 for details on the City's track record with respect to affordable housing development during the last five years.

With respect to the use of AEF to assess individual City-owned properties for development potential, the City Administrative Officer (CAO) considers the Department of City Planning zoning analysis together with analyses provided by other City departments to assess the development feasibility and potential of each property. However, zoning is never the only consideration, as the financial feasibility of using City-owned lots for affordable or supportive housing is a major component of the CAO's site evaluation and impacts its recommendation on the proposed use of each site to BOTC, the Municipal Facilities Committee, the Mayor and the City Council. Moreover, zoning never serves as the sole reason to not approve any project, as exemplified by Venice Dell since the City processed a zone change and General Plan amendment for that project.

Regarding the potential projects at 6621 Manchester Avenue and 6614 West 85th Place that the LOI suggests were eliminated due to "zoning considerations", both of these sites were excluded because they were below the 15,000 square foot threshold for multifamily housing sites the City was targeting in 2016 (the Manchester site is 6,900 square feet, and the West 85th Place site is 4,507 square feet).

- 6. An explanation for why the Project was excluded from the Affordable Housing Managed Pipeline extension list.** In March of 2025, the Los Angeles Housing Department (LAHD) recommended extending the Affordable Housing Managed Pipeline (AHMP) commitment for four

different projects. Two projects with expiring or expired AHMP commitments were excluded from the recommendations; Venice Dell was one of those excluded projects. Venice Dell was excluded from the AHMP extension list because the Project's commitment letter expired January 31, 2025, and the developers could not demonstrate a feasible path for the Project to move forward – the Project was unable to utilize Lot No. 731, and the developers did not provide a pro forma budget identifying all necessary construction and permanent funding sources to cover the Project's total development cost.

7. **A description of the City's selection criteria for extensions to the Affordable Housing Management Pipeline program.** Historically, the City extended commitments to the AHMP program, if not indefinitely, for several years. A shift in 2019 made projects dependent on receiving commitments for Low Income Housing Tax Credits (LIHTC) and highly competitive tax-exempt bond volume allocation. The City's policy of extending commitments indefinitely locked up tens of millions of the City's public funds for years. In 2025, LAHD addressed this issue by changing its approach. First, LAHD stopped extending funding commitments unless a project sponsor could demonstrate a viable path to full financing. Second, the new Homes for LA Notice of Funding Availability (NOFA) introduced revised standards. This new NOFA provides priority points for projects with competitive state tax credit applications and ties any potential extensions to a project's future LIHTC award.

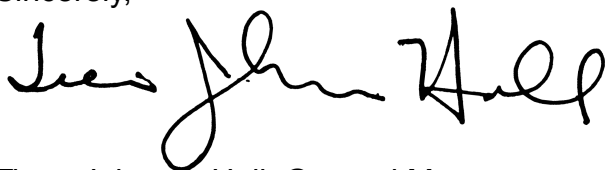
8. **Whether and how the City is meeting the stated objectives in Program #6 of its housing element for funding 8 percent of units in higher opportunity areas.** The City provides regular reporting on the progress of each Housing Element Program as part of the Housing Element Annual Progress Report (APR). Program 6 of the Housing Element, "New Production of Affordable Housing Through the Affordable Housing Managed Pipeline," includes objectives such as preparing an annual NOFA biannually and producing 500 units 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.

As stated in the APR narrative reporting for Program 6, in 2021 LAHD added priority scoring to the AHMP NOFA for projects in Higher Opportunity Areas and in TOD areas. Since the start of the sixth cycle, 17% of financed projects have been located in Higher Opportunity Areas (a total of 11 out of 64 projects), representing 16% of units (a total of 756

out of 4,841 units) and exceeding the City's stated objectives. The City continues to provide regular reporting reflecting its progress annually, through the APR, and has continued to incorporate this priority scoring criteria into all NOFAs, including the most recent Homes for LA NOFA released in September 2025.

The City continues to maintain consistent strong support for affordable housing production, and a relentless focus on creating innovative and effective policies and programs which deliver results. As previously referenced in the City's response to HCD dated March 13, 2024 and as described herein, the City continues to surpass its Housing Element and AFFH objectives thanks to a robust array of policies and programs designed to streamline affordable housing production. The City appreciates HCD's concerns and questions regarding the Venice Dell Project, and looks forward to continuing its close collaboration and partnership with HCD in support of our shared commitment to increasing the production of affordable housing in California. Please contact me at (213) 271-4252 or via email at tiena.hall@lacity.org should you require any additional information. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Tiena Johnson Hall". The signature is fluid and cursive, with the first name "Tiena" being the most prominent.

Tiena Johnson Hall, General Manager
Los Angeles Housing Department

Enclosures:

Exhibit 1 - Summary of LA City Planning Housing Production
Exhibit 2 - Due Diligence Report LADOT Lot #701

Summary of Reporting on Housing Incentive Programs

Prepared by LA City Planning November 21, 2025

Los Angeles City Planning regularly tracks and reports on the number and type of housing units generated by affordable housing incentive programs. A sample of these reports are all included in the attached pdf:

- 1) **Los Angeles City Planning Entitlement & Housing Activity for Fiscal Year 2024-2025** (Attached. This memo was submitted to LA City Planning Commission on October 28, 2025)
- 2) **Citywide Housing Incentive Program (CHIP) Six-Month Progress Report** (attached)
- 3) **5-Year Housing Entitlement Program Breakdown** (see below). We have prepared a 5-year summary of housing unit production by entitlement program. The report period for these tables is January 1, 2020 to October 31, 2025. Please note that to prevent double counting, Planning entitlement application cases utilizing multiple programs are prioritized for unit count assignment in the following order: Executive Directive programs, other incentive programs, and finally Plan Amendments and/or Zone Changes.

Summary of Proposed Housing Units by Entitlement Program (2020-2025)			
Housing Entitlement Program	Proposed Total Units	Proposed Market Rate Units	Proposed Affordable Units
Mayor's Executive Directive 1 (ED1/RED1)	42,336	559	41,777
TOC (Transit Oriented Communities)	28,136	23,338	4,798
Density Bonus	25,495	19,424	6,071
Priority Housing Program	1,980	32	1,948
Permanent Supportive Housing	148	2	146
General Plan Amendment/Zone Change	4,291	2,336	1,955
Total	102,386	45,691	56,695
<i>Report period 01-01-2020 to 10-31-2025.</i>			
Summary of Approved Housing Units by Entitlement Program (2020-2025)			
Housing Entitlement Program	Approved Total Housing Units	Approved Market Rate Units	Approved Affordable Units
Mayor's Executive Directive 1 (ED1/RED1)	31,405	476	30,929
TOC (Transit Oriented Communities)	26,267	21,239	5,028
Density Bonus	16,093	11,280	4,813
Priority Housing Program	1,629	28	1,601

Permanent Supportive Housing	148	2	146
General Plan Amendment/Zone Change	4,708	2,300	2,408
Total	80,250	35,325	44,925
<i>Report period 01-01-2020 to 10-31-2025.</i>			

4) [Housing Element Annual Progress Reports submitted annually to HCD](#) (click on the link)

Annual Progress Reports

Each year, the City reports on the status and progress in implementing the Housing Element.

2021-2029 Housing Element ▲

Housing Element Program Updates
 For more information please click on this link titled "Housing Element Program Updates." You can request additional information by submitting a public records request. Directions on how to request for City Planning records as well as other data can be found [here](#).

2021-2029 Housing Element

2024 APR on the Housing Element Housing Element Program Update	Summary - pdf	Full Report - excel	Program 124 (AFFH) Supplemental Report
--	-------------------------------	-------------------------------------	--

2023 APR on the Housing Element Housing Element Program Update	Summary - pdf	Full Report - excel	Program 124 (AFFH) Supplemental Report
--	-------------------------------	-------------------------------------	--

2022 APR on the Housing Element Housing Element Program Update	Summary - pdf	Full Report - excel	Program 124 (AFFH) Supplemental Report
--	-------------------------------	-------------------------------------	--



DEPARTMENT OF CITY PLANNING

City Hall, 200 N. Spring Street, Room 525, Los Angeles, CA 90012

DATE: October 28, 2025
TO: City Planning Commission
FROM: Vincent P. Bertoni, AICP, Director of Planning 
RE: **LOS ANGELES CITY PLANNING ENTITLEMENT & HOUSING ACTIVITY FOR FISCAL YEAR 2024-2025**

At the request of the City Planning Commission, Los Angeles City Planning (LACP) has prepared this summary to highlight entitlement and housing activity for Fiscal Year 2024-25. During the last fiscal year, LACP received 7,625 applications and completed 8,012 applications. Entitlement applications submitted included 4,740 administrative cases and 827 applications for discretionary review. As of August 2025, the Department had 1,152 active applications for discretionary review and 1,014 active applications for ministerial review.

The following data focuses on those applications for new housing units including both market rate and covenanted affordable units.

Fiscal Year 2024-25 Housing Production Overview

In Fiscal Year 2024-25, a total of 22,133 proposed units were filed with LACP for consideration. Of these, 16,183 units were proposed as deed-restricted affordable housing, representing 73% of all housing units submitted to the Department for entitlement review and approval.

Over the same time period, a total of 28,323 housing units were approved, of which 21,165 units (or 75%) were deed-restricted affordable units. As demonstrated by the following table (Table 1), this represents a continuation of the reversal of previous development patterns, with the Department processing a greater number of affordable housing units than market-rate units for the second FY running.

Table 1
Total Proposed & Approved Housing Units by Fiscal Year

Fiscal Year	Proposed Housing Units			Approved Housing Units		
	Proposed Total Units	Proposed Market Rate Units	Proposed Affordable Units	Approved Total Units	Approved Market Rate Units	Approved Affordable Units
FY 22/23	32,805	19,229	13,576	15,822	11,303	4,519
FY 23/24	27,844	7,466	20,378	18,916	8,063	10,853
FY 24/25	22,133	5,950	16,183	28,323	7,158	21,165

Fiscal Year 2024-25 Housing Production by Region

Housing units processed by LACP in FY 2024-25 were geographically distributed across the City of Los Angeles as summarized in Table 2 below. In FY 2024-25, the South LA Planning Commission (APC) region had the highest number of proposed housing units (5,398 units) followed by the West Los Angeles and Central Valley APC regions with 5,374 and 5,116 total proposed units, respectively. These three APCs also accounted for the highest number of affordable units proposed. The share of affordable units proposed in six out of seven APCs exceeded 60%, including four APCs with a share of proposed affordable units exceeding 70%.

**Table 2
FY 2024-25 Total Proposed & Approved Housing Units by Area Planning Commission Boundary**

Area Planning Commission	Proposed Housing Units				Approved Housing Units			
	Proposed Total Units	Proposed Market Rate Units	Proposed Affordable Units	% Proposed Affordable	Approved Total Units	Approved Market Rate Units	Approved Affordable Units	% Affordable Approved
North Valley	829	295	534	64%	1,612	350	1,262	78%
South Valley	4,132	1,340	2,792	68%	4,468	896	3,572	80%
West LA	5,374	1,532	3,842	71%	2,282	916	1,366	60%
Central LA	5,116	945	4,171	82%	9,970	3,661	6,309	63%
East LA	915	511	404	44%	1,448	338	1,110	77%
South LA	5,398	1,312	4,086	76%	8,083	897	7,186	89%
Harbor	369	15	354	96%	460	100	360	78%

Housing Production by Entitlement Type & Program (FY 2024-25)

LACP manages several administrative and discretionary entitlement pathways that lead to housing production. Executive Directive 1 was connected with 73% of all housing-related cases received by Los Angeles City Planning in FY 2024-25. A summary of housing production by entitlement type and program for Fiscal Year 2024-25 is provided in Tables 3 and 4 below:

Table 3
FY 2024-25 Total Housing-Related Cases by LACP Entitlement Type / Program

Entitlement Type / Program	Total Applications Received In FY 2024-25	% of Total Received	Total Applications Completed In FY 2024-25	% of Total Completed
Mayor's Executive Directive 1 (ED1/RED1)	193	73%	251	69%
Density Bonus (DB)	57	22%	51	14%
Transit Oriented Communities (TOC)	13	5%	53	15%
General Plan Amendment/ Zone Change (GPA & ZC)	2	1%	6	2%
Total	265	100%	361	100%

Please note that Planning cases regularly use multiple programs in conjunction. To avoid double counting, case counts are first assigned to programs initiated by Executive Directive, then incentive programs, and finally Plan Amendments and/or Zone Changes.

Table 4
FY 2024-25 Total Housing Units by LACP Entitlement Type / Program

Entitlement Type / Program	Proposed Units			Approved Units		
	Total Housing Units Proposed	Total Market Rate Units Proposed	Total Affordable Units Proposed	Total Housing Units Approved	Total Market Rate Units Approved	Total Affordable Units Approved
Mayor's Executive Directive 1 (ED1/RED1)	13,985	164 1%	13,821 99%	18,308	225 1%	18,083 99%
Density Bonus	2,898	2,024 70%	874 30%	1,916	1,240 65%	676 35%
Transit Oriented Communities (TOC)	1,016	865 85%	151 15%	2,348	2,076 88%	272 12%
General Plan Amendment/ Zone Change	200	176 88%	24 12%	900	756 84%	144 16%

Please note this table highlights those entitlements and processes most widely used for housing projects that include an affordable set aside and does not include an exhaustive list of every entitlement path that generates housing units.

Assessing CHIP Progress

Taking effect in February 2025, the Citywide Housing Incentive Program (CHIP) Ordinance encompasses three housing incentive entitlement pathways. These include the State Density Bonus Program, the Mixed Income Incentive Program (MIIP), and the Affordable Housing Incentive Program (AHIP). Since adoption, approximately 20,692 units have been proposed through the CHIP Ordinance, with 36% of all proposed units covenanted for affordable housing.¹ Preliminary estimates also indicate a high concentration of these units may be constructed in high opportunity areas throughout the City. LACP will provide further detailed reporting on the number of specific entitlement and administrative review cases submitted to the Department as these become available in the coming months.

¹ This figure includes building permit submissions to LADBS and Pre-Application Review (PAR) cases submitted to LA City Planning through September 26, 2025.



Citywide Housing Incentive Program Six-Month Progress Report February 2025 - August 2025

Six Months of CHIP

On February 11, 2025, Los Angeles launched the Citywide Housing Incentive Program (CHIP)—the largest rezoning program in the country, creating zoning capacity for more than half a million housing units. This six-month progress report provides a look at preliminary applications and applications submitted to Los Angeles City Planning and the Department of Building and Safety (LADBS) from February 11, 2025 through August 12, 2025.

To date, many of the project inquiries City Planning has received are Preliminary Application Referrals (PARs), which are projects that may be further refined before their application is formally submitted to the city for review. Submitting a PAR is the first step in moving through the planning review process. PARs may result in either a discretionary or ministerial application, and they are required for every CHIP project.

Highlights

- 63% of proposed projects are Preliminary Application Referrals, indicating a strong interest in the CHIP program.
- Anticipated housing production has increased throughout the City, with 115 projects proposing 16,659 units through CHIP.
- While development is proposed throughout the City, over 70% of proposed units are located in Central Los Angeles and south of the San Fernando Valley.
- The CHIP program has incentivized 5,714 units, 34% of all proposed units, as covenanted affordable.
- Most projects have been filed under the Affordable Housing Incentive Program (AHIP), often in conjunction with Executive Directive 1 (ED 1).
- CHIP has streamlined the city’s review of projects, with 90% of official applications receiving ministerial review through LADBS or the Expanded Administrative Review (EAR) process.

CHIP Overview

The CHIP program is the cornerstone of the City’s Housing Element Rezoning Program, created to address state-mandated housing goals and tackle the growing pressures Angelenos face from rising housing costs and instability. Through three subprograms, the State Density Bonus Program, the Mixed Income Incentive Program (MIIP), and the Affordable Housing Incentive Program (AHIP), CHIP incentivizes new housing and streamlines the approval process in transit-rich and high-opportunity neighborhoods.

CHIP represents a generational shift in housing policy: a commitment to accelerating production while safeguarding tenant protections such as the right to return, robust replacement housing, and 99-year affordability covenants. It is a bold step toward a more equitable Los Angeles where stable, affordable housing is within reach for more families.

At a Glance

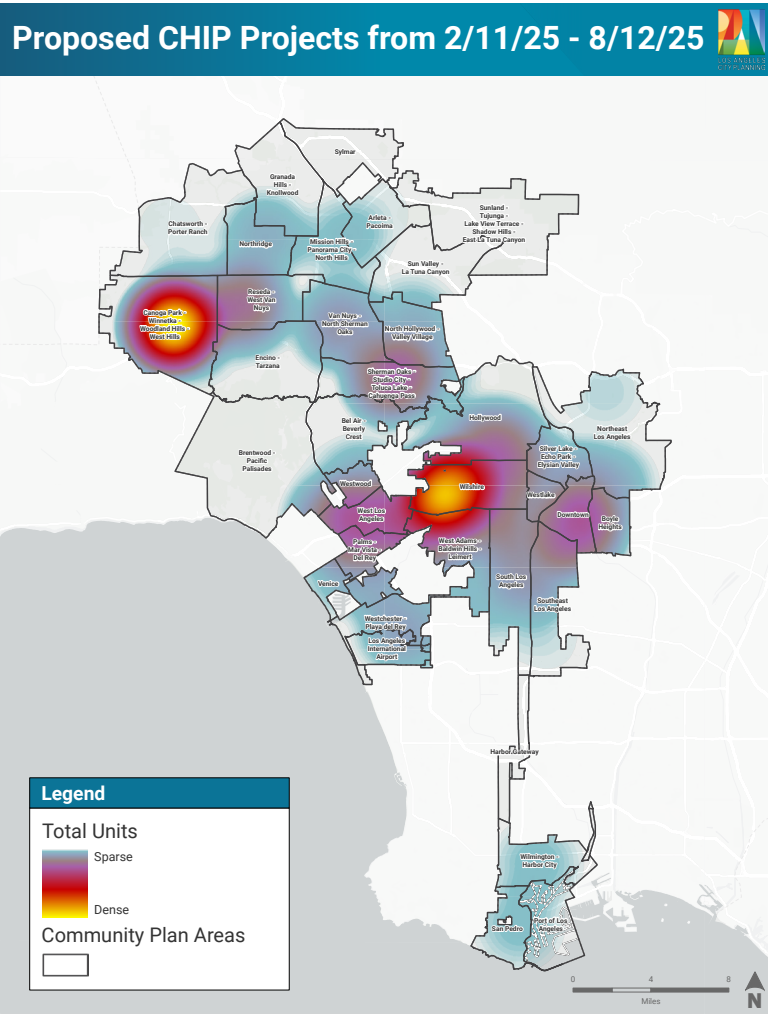
In the first six months of CHIP's effectuation, City Planning received proposals for nearly 16,659 new housing units (12,700 units through PARs, 901 by-right units through LADBS, and 3,058 units through formal applications with City Planning, with more than a third of units proposed as covenanted affordable housing. In comparison, 4,918 units were proposed through entitlements within the first six months of Transit Oriented Communities (TOC)¹ Program adoption and 3,694 units were proposed through planning applications within the first six

months of Mayor Bass' issuance of Executive Directive 1 (ED 1).

The map below showcases the number of proposed units in the first six months of the CHIP program. The map illustrates areas throughout the City with a large concentration of high density units, areas that have a fewer number of units and everything else in between. Of the 115 proposed units, many are located in Central Los Angeles, the San Fernando Valley's southern neighborhoods (South Valley), and West Los Angeles.

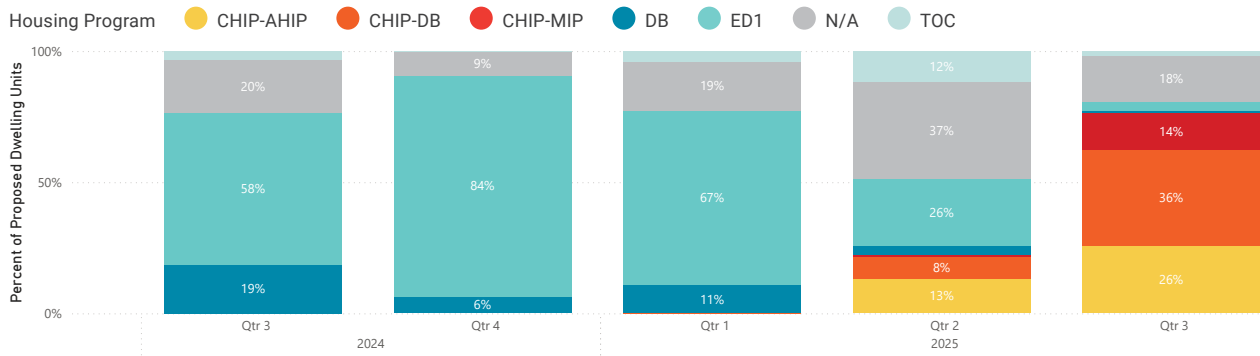
Early CHIP activity is strongest in Central Los Angeles and South Valley, together accounting for more than 70% of proposed units.

A significant number of units have also been proposed in West Los Angeles and South Los Angeles, making up 13% and 12% of proposed units respectively. Housing proposals has increased in all areas of the City because of CHIP, especially in areas where development has not previously been popular or possible.



¹ Reported TOC numbers do not include by-right TOC applications processed by LADBS.

Percent of Proposed Dwelling Units by Year, Quarter and Housing Program



In Quarters 3 and 4 of 2024, prior to CHIP adoption, there was a rise in ED 1 projects and a decrease of Density Bonus, TOC, and projects utilizing other housing programs². Since the adoption of CHIP in Quarter 1 of 2025, there has been a steady rise in proposed units using all three programs, with a majority proposed through the State Density Bonus Program. As CHIP progresses, the gradual increase of proposed dwelling units will likely continue per program.

Key Trends

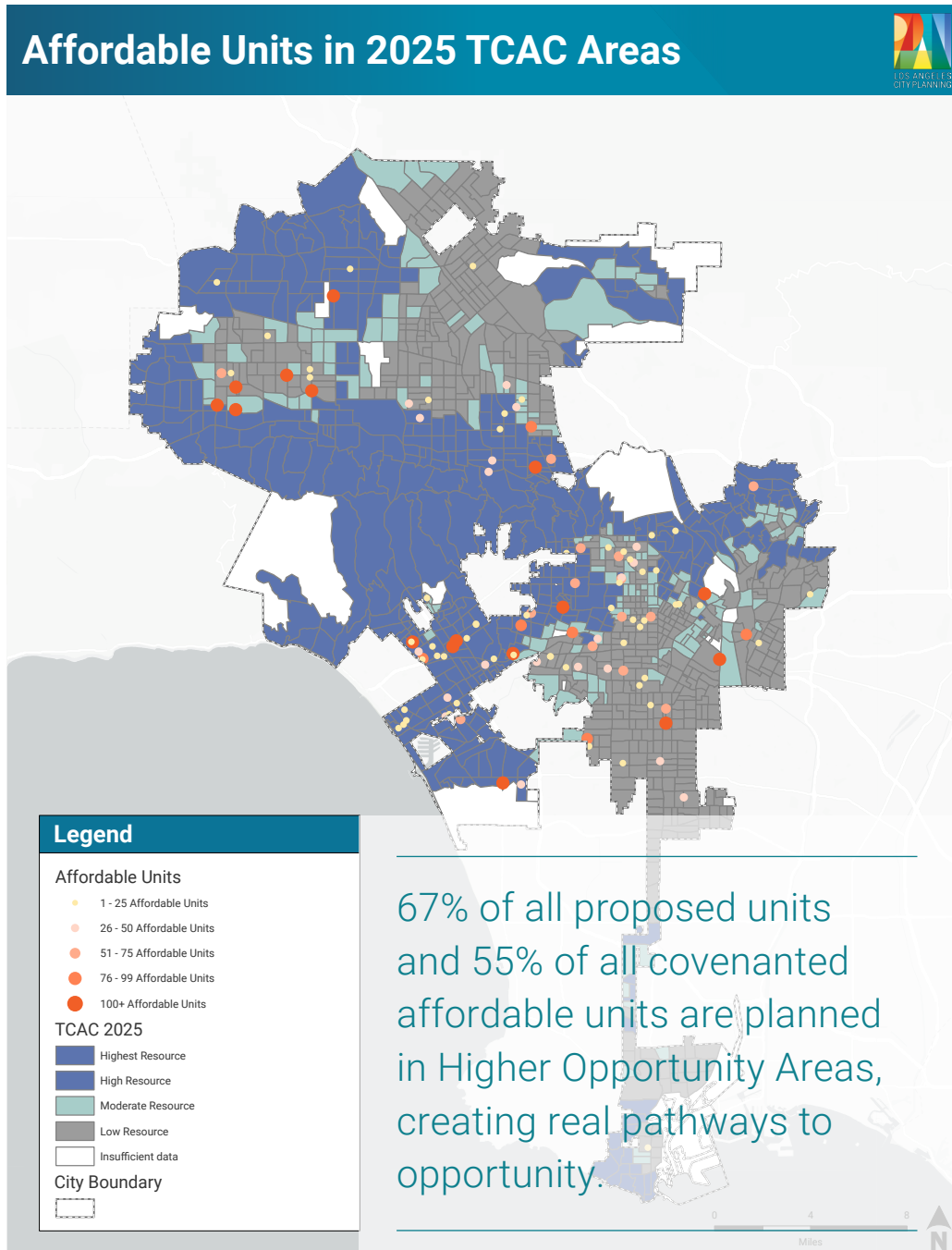
Opportunity Areas

The CHIP program addresses past patterns of inequity by prioritizing the production of affordable housing in Higher Opportunity Areas, giving more Angelenos access to areas of the City that are associated with a higher quality of life outcomes. Higher Opportunity Areas have a denser concentration of access to transit, schools and job centers, along with lower exposure to environmental pollutants. By encouraging multi-family housing production in these areas, Angelenos also have increased chances for educational attainment, earnings from employment, and economic mobility.

The Housing Element established a target of rezoning more than half of its added capacity in Higher Opportunity Areas. Within CHIP’s first six months, two-thirds of all proposed projects are located in Higher Opportunity Areas.

² Density Bonus or TOC cases were able to participate in ED 1’s processed streamlining, as long as the proposed projects provided 100% affordable units.

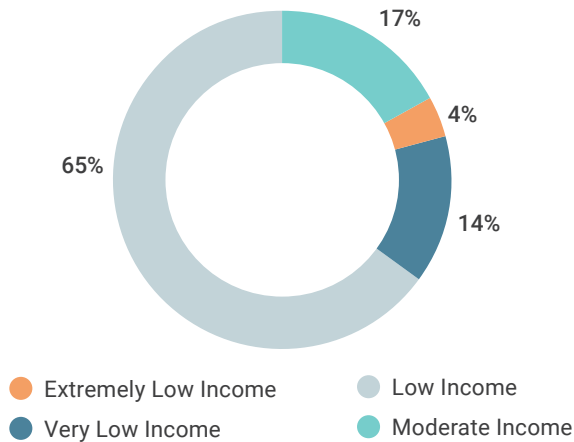
The map below highlights where proposed affordable units are in relation to the 2025 California Tax Credit Allocation Committee (TCAC) map. TCAC data is used to understand how cities can Affirmatively Further Fair Housing to address past patterns of inequity and encourage inclusive communities. Areas in dark blue are where access to opportunity is high, in teal where moderate, and in gray where low. The dots range in color and size where the darker dots indicate more affordable units are being proposed. Based on this map, affordable units are proposed throughout all Opportunity Areas.



Proposed Affordable Units per Income Category

Within each CHIP program, density, Floor Area Ratio (FAR) or building volume, and height bonuses are scaled based on affordability, with greater bonuses offered to projects providing more affordability. Projects receive the greatest incentives through AHIP, as projects are 80% to 100% affordable, followed by MIIP and the State Density Bonus Program.

Percentage of Proposed Affordable Units per Income Category



Of the 5,714 proposed affordable units through CHIP, the majority of affordable units are proposed for low-income households (65%).

Proposed Units per Income Category

	Total Acutely Low Income Units	Total Extremely Low Income Units	Total Very Low Income Units	Total Low Income Units	Total Moderate Income Units	Sum of Affordable Units ³	Sum of Market Rate Units	Total Units
By-Right ⁴	0	47	0	351	16	414	487	901
Pre-Application	0	178	604	2,256	636	3,674	9,026	12,700
City Planning Formal Application	0	6	199	1,129	292	1,626	1,432	3,058
Total Units	0	231	803	3,736	944	5,714	10,945	16,659
Percentage of Covenanted Units	0%	4%	14%	65%	17%	100%	0%	34%

³ The percentages for the Affordable Units is based on area median income (AMI) percentages. Acutely Low Income is categorized as 15% of the AMI, Extremely Low Income as 30% of the AMI, Very Low Income as 50% of the AMI, Low Income as 80% of the AMI, and Moderate Income as 120% AMI.

⁴ While projects marked as 'By-Right' are currently filed through LADBS and not Planning, this data may come to Planning in the future as a City Planning Formal Application.

Case Study: 3608 S. CENTINELA AVENUE

Through the AHIP program, the development potential of proposed projects significantly increases when providing 100% affordable housing. For example, an AHIP project at 3608 S. Centinela Avenue, a [Q]RD1.5-1 zoned site with a four-unit, multi-family residence in Mar Vista (EAR-2025-2128-AH-HES) was filed on April 9, 2025, to facilitate a 49 unit five-story development on a 9,017 square foot site. The project, which received the Letter of Compliance on September 4, 2025, was processed ministerially through EAR, and granted increased density, FAR, height, and parking reductions through AHIP's base incentives, as well as five off-menu incentives for yard reductions,

open space reductions, and bike parking reductions. Two waivers were requested for yard reductions, but because the site is identified as a Lower Income Rezoning Housing Element Site and meets the affordability requirements, the project was eligible for ministerial approval. Without this designation, the proposed project would have been required to file a discretionary application for the two requested waivers or could have been processed ministerially through AHIP and ED 1 if it had reduced its request to one waiver. Without AHIP, the development standards limit the site to 12 units, with a FAR of 3:1 and height limit of 25 feet.



Existing zoning, ZIMAS



Rendering of 3608 S. Centinela Ave, Stockton architects, Inc., EAR-2025-2128-AH-HES

CHIP Project Distribution in the City by Program

CHIP is made up of three programs: State Density Bonus Program, Mixed Income Incentive Program (MIIP), and Affordable Housing Incentive Program (AHIP).



State Density Bonus

Localizes State Density Bonus incentives for mixed-income housing



Mixed Income Incentive Program

Expands mixed-income housing near transit, jobs, along corridors, and in Higher Opportunity Areas



Affordable Housing Incentive Program

Facilitates 80-100% Affordable Housing and housing on public land, faith based owned sites

Proposed Projects and Units per CHIP Program⁵

Nearly half (49%) of all proposed CHIP projects are pursuing AHIP incentives, making it the most popular program within CHIP. Interest in AHIP reinforces the success of the ED 1's program alongside CHIP projects, with 31% of AHIP projects proposed in conjunction with ED 1. While most projects are filed under AHIP, the majority (56%) of units are proposed through the State Density Bonus Program, highlighting its significant role in overall unit production. Within the State Density Bonus Program the majority (81%) of the program's proposed units come from large projects that propose more than 500 units. The MIIP represents 18% of proposed CHIP projects, with 90% of MIIP projects utilizing the TOIA Program, and the remaining 10% pursuing the Opportunity Corridors program.

Program	Number of Proposed Units		Percentage of Projects
	Total		
Affordable Housing Incentive Program (AHIP)	5,070	By-Right: 412 Pre-Applications: 3,166 Planning Formal Applications: 1,492	49%
State Density Bonus Program (DB)	9,267	By-Right: 0 Pre-Applications: 7,773 Planning Formal Applications: 1,494	31%
Mixed Income Incentive Program (MIIP)	2,308	By-Right: 475 Pre-Applications: 1,761 Planning Formal Applications: 72	18%
Total	16,645		100%

⁵ This does not count all projects filed directly to LADBS.

CHIP Case Study: 10609 W. LANDALE STREET

Alongside Affirmatively Furthering Fair Housing, 100% Affordable projects receive greater incentives compared to State law. At 10609 W. Landale Street, an R3-1-RIO zoned site with a multi-family residence in Toluca Lake, an AHIP project (EAR-2025-4356-AH-HCA-RED1), was filed on August 4, 2025. This 100% affordable project was filed in conjunction with ED 1 to propose a 52 unit, 6 story development on a 9,919 square foot site. The project, deemed compliant on October 7, 2025, was

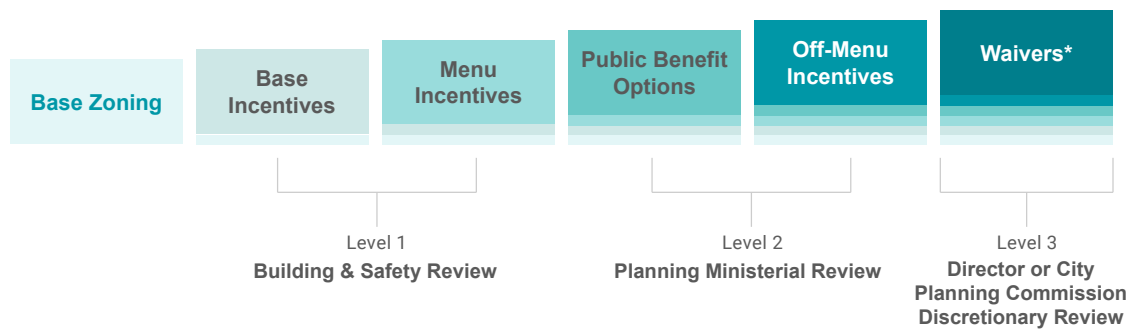
processed ministerially through Expanded Administrative Review (EAR), for increased FAR, height, and parking reductions through AHIP's base incentives and requested four off-menu incentives for bicycle parking reductions, yard reductions, open space reductions, and tree requirement reductions. While eligible for up to one waiver through AHIP and ED 1, waivers have not been requested at this time. Without AHIP, the development standards limit the site to 13 units, with a FAR of 3:1 and height limit of 45 feet.



Renderings of 3990 S. Wade Street, Commun Associate, EAR-2025-2397-AH-HCA-RED1

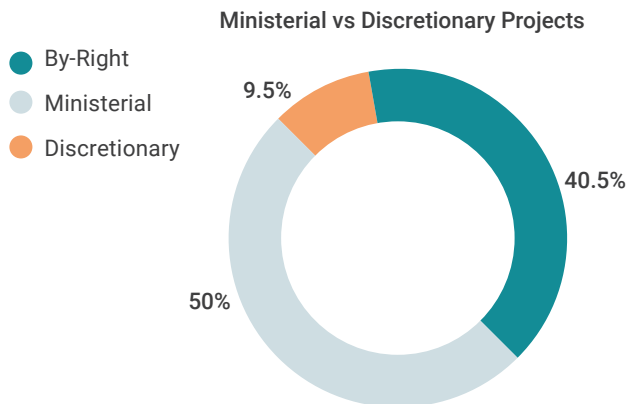
CHIP's Framework and Applicable Procedures

CHIP projects are eligible for three levels of review. Projects in Level 1 are those that seek base incentives as well as incentives that are on a predetermined Menu of Incentives (Menu). These projects are by-right and may proceed directly to LADBS to file a building permit application. Those in Level 2 are processed ministerially through City Planning's Expanded Administrative Review (EAR), which is available to projects requesting Public Benefits or incentives not on the Menu. AHIP projects can also request up to 1 waiver in alignment with ED1 streamlined processing. Projects in Level 3 are processed under discretionary review by the Director of Planning or City Planning Commission (CPC) and include waivers requests.



* AHIP projects can receive 1 waiver under ministerial review

Applicable Procedure ⁶	Count of Projects
By-Right Review	17
Ministerial	21
Discretionary	4
Total	42



Housing developers can encounter complicated entitlement processes, but the CHIP now streamlines the City's review projects to allow more projects to be filed without discretionary review. Of the projects that have been filed through the CHIP, 90% have been processed ministerially.

⁶ This data includes projects receiving By-Right Review, Expanded Administrative Review (EAR), Director's Determination, or CPC review. This does not include projects that have only submitted their Preliminary Application Referral forms.

Proposed Projects and Units per Procedure⁷

This section highlights the key trends in the CHIP applications received to date. Of the 115 proposed projects during the first six months, 63% (73 out of 115 projects) were preliminary applications. As projects submit formal applications, these applications will move from PAR to a formal application. 50% of all formal projects are processed through the Expanded Administrative Review (EAR) process, utilizing the streamlining established through the CHIP program.

Preliminary Application Referral forms (PARs) are projects that have submitted a referral form, not a formal application to City Planning, and are subject to change and refinement prior to formal filing.

All Proposed Projects

Applicable Procedure	Total Units	Percent of Units	Total Projects	Percent of Projects
Preliminary Application Referral (PAR)	12,700	76%	73	63%
By-Right Review	901	5%	17	15%
Expanded Administrative Review (EAR)	1,758	11%	21	18%
Director's Determination (DIR)	207	1%	1	1%
City Planning Commission (CPC)	1,093	7%	3	3%
Total	16,659	100%	115	100%

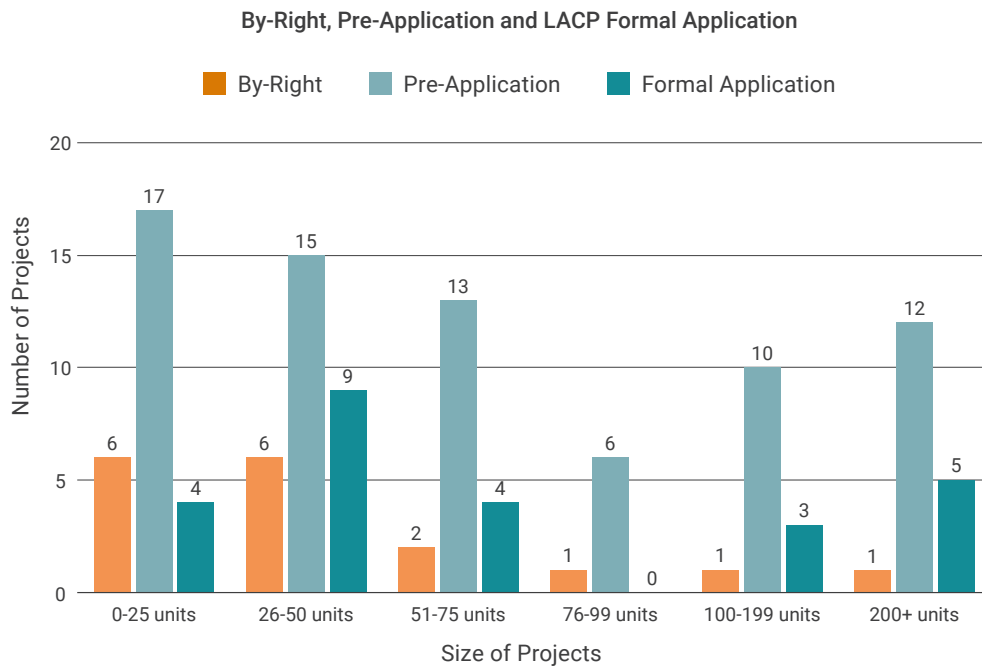
City Planning Formal Applications

Applicable Procedure	Total Units	Percent of Units	Total Projects	Percent of Projects
By-Right Review	901	23%	17	40%
Expanded Administrative Review (EAR)	1,758	44%	21	50%
Director's Determination (DIR)	207	5%	1	2%
City Planning Commission (CPC)	1,093	28%	3	7%
Total	3,959	100%	42	100%

⁷ While projects marked as 'By-Right' are currently filed through DBS and not Planning, this data may come to Planning in the future.

Size of Projects⁸

The data below showcases the differences between the size of projects filed By-Right, through Pre-Applications, or through formal applications with City Planning. Of the 115 proposed projects, 26% propose between 26 to 50 units. By-Right projects are most likely to provide 0 to 50 units, while formal applications are most likely to provide 26 to 50 units.



Size of Project	By-Right Projects	Pre-Application Projects	Formal Application Projects
0-25 units	5%	15%	3%
26-50 units	5%	13%	8%
51-75 units	2%	11%	3%
76-99 units	1%	5%	0%
100-199 units	1%	9%	3%
200+ units	1%	10%	4%
Total		100%	

⁸ While projects marked as 'By-Right' are currently filed through DBS and not Planning, this data may come to Planning in the future. This data used for this section contains By-Right, Pre-Application, and City Planning Formal Application projects.

Looking Ahead

Throughout the first six months of the Citywide Housing Incentive Program (CHIP), 115 projects proposing 16,659 housing units have been submitted through pre-applications, Planning formal applications, or by-right through LADBS—marking a steady increase in housing production across Los Angeles. These early trends show that CHIP is meeting its core goals of fostering greater access to housing, with 55% of proposed covenanted affordable units and 67% of all proposed units in Higher Opportunity Areas, through its three cornerstone programs: the State Density Bonus Program, MIIP, and AHIP. By combining streamlined review processes with robust affordability incentives, CHIP is not only increasing housing supply but also setting a precedent for equitable growth citywide. Though these findings are preliminary, City Planning looks forward to monitoring how CHIP continues to shape housing development and access in the years ahead.



@Planning4LA
Planning4LA.org

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>

Attachment G

Attachment G

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
301 E Ocean Blvd
Long Beach, CA 90802-4830
(562) 590-5071



August 10, 2022

Christopher Murray
Rosenheim & Associates, Inc.
21600 Oxnard Street, Suite 630
Woodland Hills, CA 91367

Re: **NOTICE OF INCOMPLETE APPLICATION**

Application No. 5-22-0588

Site Addresses: 2102 - 2120 S. Pacific Ave., 2106 – 2116 S. Canal St., 116 - 302 E. N. Venice Blvd., 319 E. S. Venice Blvd., Venice, Los Angeles County, CA 90291

Dear Christopher Murray,

On July 11, 2022, our office received the above referenced coastal development permit (CDP) application. The proposed project includes demolition of an existing public parking lot and quadruplex, consolidation and subdivision of existing lots, and construction of a new mixed-use, affordable housing development in Venice. Commission staff have reviewed all submitted materials and determined that additional clarification remains necessary. Please accept this letter as notification that Application No. 5-22-0588 is incomplete pending receipt of the requested information. To complete your application, please submit the following:

- 1. Local Appeal Period.** The local appeal period for the City action on CPC-2018-7344-GPAJ-VZCJ- HD-SP-SPP-CDP-MEL- SPR-PHP concludes at 5PM on August 16, 2022. The subject application cannot be filed prior to conclusion of the local appeal period. Further, if the City-issued CDP is appealed, it may be necessary for this application to remain incomplete pending resolution of any appeals.
- 2. Proof of Legal Interest.** Provide proof of the applicants' legal interest in the property via one of the methods described in Section IV.1. of the application form.
- 3. Co-Applicant.** The application indicates the Los Angeles Department of Transportation (LADOT) will fund, own, and manage a portion of the proposed development. The City of Los Angeles must indicate in writing whether it wants to be a co-applicant on this CDP application. Please see attached co-applicant invitation letter and form for completion by the City of Los Angeles.
- 4. Development Agreement.** Clarify why the Venice Community Housing Corporation (VCHC) and Hollywood Community Housing Corporation (HCHC) were not party to the development agreement with the City. Clarify the role of Venice Dell L.P. in the proposed project. Clarify how management and ownership will be divided between VCHC, HCHC, LADOT, and Venice Dell L.P. if applicable.
- 5. Application Fee.** Section I.B of Appendix E requires an application fee of \$1,059 per unit, and 140 units are proposed, resulting in a \$148,260 fee for the residential project

Notice of Incomplete Application
Application No. 5-22-0588

component. The submitted application indicates a \$64,550 fee for the residential component based on an outdated fee schedule which previously required \$968 per unit. Additionally, Section II.A. of Appendix E should include the square footage of the public parking garage. Ensure all co-applicants have been included in the application prior to sending any additional fee, as the overall fee may be altered based on the inclusion of a resource permitting agency. Further, because the project includes affordable housing, the project may be entitled to a reduction in fees as determined by the Executive Director. (See Cal. Code of Regs., tit 14, § 13055(h)(2).)

6. **Project Plans.** Provide the following clarifications regarding the project plans:
 - A. Clarify why Parcel 1 and Parcel 4 share an assessor parcel number in the Parcel Area table on Sheet G0.01
 - B. Clarify the difference between the long-term and short-term bicycle parking referenced on Plan Sheet G0.01.
 - C. Clarify why the 1.15 FAR is listed as “Option B” on Sheet G0.01.
 - D. Clarify the discrepancy between the three vehicle parking spaces reserved for public use shown on Sheet G0.01 and the Public Parking Management Plan (PPM) and local permit findings indicating five proposed spaces.
 - E. Clarify why the plan set titled “Addendum to 05/12/2021 Entitlement Drawings” was not included in the plans issued local approval.
 - F. Summarize all differences between the Exhibit A plans and the addendum plans, including new or eliminated features. Define the terms “AS2”, “VA2”, and “[Electrical Vehicle] AMB” as referenced in the addendum plans.
 - G. Indicate whether the four management residential units will be provided free of charge for housing staff.
7. **Campanile Structure.** Provide an alternatives analysis for elimination of the proposed, 67-ft. tall campanile structure and indicate its proposed function.
8. **Income Requirements.** Indicate the income requirements for the proposed 136 “Low Income” housing units.
9. **Visual Resources.** Provide an analysis of impacts to public coastal views from all sides of the proposed development, including looking toward the development from the sandy beach.
10. **Sea Level Rise Analysis.** The submitted coastal hazards report dated 2020 predicts less than 2 ft. of flooding onsite with 6.6 ft. of sea level rise in the next 75 years based on the flood depth legend included in Figure 6. However, the legend specifies color changes per 8 ft. and does not provide that degree of specificity. Clarify how the flooding estimation was determined from the Coastal Storm Modeling System legend. Provide a summary of proposed measures and a feasibility analysis of additional

Notice of Incomplete Application
Application No. 5-22-0588

measures to minimize risks and water quality impacts associated with inundation of the proposed development within the next 75 years, including, but not limited to, the use of shear walls, flood-proof materials, and locating mechanical equipment and hazardous substances on upper floors.

11. Groundwater. The submitted coastal hazards report dated 2020 references a geotechnical consultant report which estimates a maximum historical groundwater level of 5 to 6-ft. below grade. However, the Coastal Storm Modeling System indicates the project site has a “Water Table at Surface (Emergent)” even with 0 ft. of sea level rise. Provide the following clarifications and additional information:

- A. Provide the referenced geotechnical report and address the discrepancy in groundwater levels.
- B. Provide a feasibility analysis of measures to address emergent groundwater during the proposed 9,100 cy. of grading, including, but not limited to, de-watering measures.

Additionally, the addendum dated 2021 references a new Federal Emergency Management Agency (FEMA) baseline flood elevation adopted on April 21, 2021. Provide the FEMA baseline flood elevations adopted in 2021 and most recently. Describe any measures incorporated into the project to meet the FEMA requirements.

12. Tribal Cultural Resources. The comment letter issued by a representative of the Gabrieleño Band of Mission Indians – Kizh Nation indicates tribal consultation occurred. Provide a list of all tribal entities notified and list all other tribes who responded to the notice. Describe all tribal cultural resource mitigation measures currently proposed. Provide a feasibility analysis with at least two project design alternatives that would 1) avoid impacts to tribal cultural resources (e.g. eliminate all grading of native soils) and 2) minimize and mitigate impacts to tribal cultural resources (e.g. minimize the amount of grading and propose mitigation measures).

13. Boat Launch Operations. Confirm that the proposed boat launch and boat launch parking spaces will be available to the public from sunrise to sunset, free of charge, consistent with the requirements of CDP Nos. 5-91-584 and 5-92-377, as amended.

14. Boat Launch Access Plan. Sheets A2.10 and A6.10 show the boat launch parking spaces are located behind an artist studio in the east structure and behind dwelling units in the west structure. Indicate how this will impact the size, number, and type of vessels able to access the launch ramp. Provide a narrative plan to A) ensure the boat launch access ramp remains open during construction, and B) ensure the canal-cleaning vendor’s parking will be restricted to avoid blocking access to the public during peak use times.

15. Boat Launch Alternatives Analysis. Provide an alternatives analysis, including but not limited to, plans showing at least seven public boat launch parking spaces and three loading areas located on the east side of Grand Canal adjacent to the boat launch access ramp. The alternatives analysis must also address the feasibility of A) maintaining the current location of the existing boat launch ramp loading area; B)

Notice of Incomplete Application
Application No. 5-22-0588

constructing a new vehicle accessway for boat launching along the canal connecting North and South Venice Blvd; and C) locating the public boat launch access parking spaces in the portion of the parking structure closest to the boat launch ramp and providing direct access from the parking to the boat launch.

16. Subterranean Level. Sheet A.3.21 shows a subterranean parking level extending approximately 8 ft. below grade in the east structure. Clarify the function of the proposed subterranean level, whether it would be accessible to the public, and if it would contain mechanized lifts. Provide an alternatives analysis addressing elimination of the below-grade structure and any other subterranean components from the proposal.

17. Mechanized Lifts. The locally-approved Exhibit A plan includes a key indicating 252 total parking spaces in the public garage and shows unnumbered, standard drive-up spaces. The local CDP findings do not address proposed lift parking. However, the plant set titled "Addendum to 05/12/2021 Entitlement Drawings" shows mechanized lifts which would appear to double the number of parking spaces available and indicates 252 total parking spaces. Indicate whether 252 public parking spaces are feasible without the proposed lift system. Provide evidence that the local CDP issued by the City approved the use of a lift system in the public lot.

18. Lots 701 and 731. Provide a narrative description of the current operation of LADOT Lot Nos. 701 and 731, including:

- A. the operating hours of public availability;
- B. the current rates per hour and/or per day for use of the public parking spaces and any changes to the parking rates that have occurred since Commission approval of CDP 5-94-081; and
- C. whether the two lots remain open simultaneously during operating hours or one is used to accommodate overflow for the other.

19. Parking Utilization Study. Provide the following clarifications and additional information regarding the submitted Venice parking study conducted by Tierra West Advisors:

- A. Clarify why weekdays AM, weekends AM, and holidays PM were not included in the survey.
- B. Figures 3 through 8 do not distinguish differences in utilization between Lots 731 and 701. Indicate whether the two lots were measured separately. If not, clarify why.
- C. Figures 3 through 8 indicate Lots 731 and 701 remained below 50% capacity during all measured timeframes except holidays midday and weekends PM. Disclose any confounding factors contributing to underutilization in July through September 2019, such as partial closure for construction or use limitations imposed by the City.

20. Temporary Replacement Parking Plan (TRPP). Provide the following clarifications and additional information regarding the TRPP:

- A. Page 2 of the TRPP states that public parking in Lot 731 will be “completely or partially unavailable” during construction of the proposed east structure. However, the TRPP also states that the “west site portion of Lot 731” could be used for replacement parking during construction of the east structure. Clarify this discrepancy and indicate what area is encompassed by the west site portion of Lot 731.
- B. Provide evidence that the U.S.P.S. at 313 Grand Blvd. is amenable to leasing off-site replacement parking on weekends and holidays as proposed. Indicate how many spaces would be available at the U.S.P.S. location. Indicate whether the subject offsite spaces are currently available to the public free of charge.
- C. Provide a feasibility analysis of alternative off-site parking locations that will be available during construction to meet public parking demand that is currently met on the subject site.
- D. Clarify why construction of the west structure is proposed as Phase I and the east structure as Phase II, since this would require Lot 701 with 100 public spaces to mitigate the loss of Lot 731 with 196 public spaces during Phase I.

21. EV Parking. If the EV charging stations are intended for use in the proposed public parking structure, clarify why this component is not included in the subject application. Note that the Commission has recently required provision of EV parking spaces in conjunction with the approval of projects with a significant parking component.

22. Public Parking Management Plan (PPMP). Provide a feasibility analysis of increasing the second floor ceiling height to enable mechanized lifts on the second floor rather than the first floor. Provide a narrative description clarifying:

- A. the qualitative difference between parking spaces available under Premium versus Value;
- B. the purpose of the rotating tier system described on Page 7 of the PPMP;
- C. why the self-parking provided under Premium and Value is valued at higher rates than the mechanized lift parking provided under Economy;
- D. whether visitors on the first and third levels will be able to access their vehicles without vehicle retrieval from management;
- E. how visitors will safely unload their belongings (such as coolers, chairs, and other recreational equipment) in the attendant drop area without creating a vehicle back-up; and
- F. whether LADOT will retain the services of a private contractor, VCHC, HCHC, or any other party to operate and/or park the mechanized lifts.

Notice of Incomplete Application
Application No. 5-22-0588

Commission staff are considering options to address the obstruction of the Commission-required public boat launching ramp on-site, which constitutes an ongoing violation of the Coastal Act. The boat launch and parking is required to be open pursuant to the terms and conditions of CDP Nos. 5-91-584, 5-92-377, and subsequent amendments, and its closure is inconsistent with those permits. Commission Enforcement staff has instructed the City to open the boat launch pursuant to the permit requirements. To fully resolve this enforcement matter, we are requesting a proposal to mitigate the public access impacts of multiple years of boat launch inaccessibility, which include such options as expanding the size of the boat launch, improving its amenities, increasing the number of boat launch parking spaces, or other measures to improve public use of the boat launch.

Please do not limit your submittal to the above mentioned items—you may submit any information which you feel may help Commission staff gain a clear understanding of the scope of your project. Upon receipt of the requested materials, we will proceed with determining the completeness of your application. You can contact me with any questions at chloe.seifert@coastal.ca.gov.

Sincerely,



Chloe Seifert
Coastal Program Analyst II

cc: Ira Brown, City of Los Angeles Planning Department
Duncan Joseph Moore, Latham & Watkins
Beth Gordie, Latham & Watkins
Alicia Robinson, Latham & Watkins
Kailen Malloy, Latham & Watkins
Eric McNevin, Eric Owen Moss Architects

Attachments: Co-Applicant Invitation Letter
Co-Applicant Form

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
301 E. Ocean Blvd, Suite 300
Long Beach, CA 90802-4302
(562) 590-5071



August 10, 2022

City of Los Angeles Planning Department
200 N. Spring St., Room 721
Los Angeles, CA 90012

Subject: NOTICE OF APPLICATION SUBMITTAL & INVITATION TO JOIN AS CO-APPLICANT

Coastal Development Permit Application No. 5-22-0588

Site: 2102 - 2120 S. Pacific Ave., 2106 – 2116 S. Canal St., 116 - 302 E. N. Venice Blvd., 319 E. S. Venice Blvd., Venice, Los Angeles County, CA 90291**Current Applicants:** Venice Community Housing Corporation, Hollywood Community Housing Corporation

To the City of Los Angeles Planning Department,

On July 11, 2022, Commission staff received the subject coastal development permit application from Venice Community Housing Corporation and Hollywood Community Housing Corporation for development located at the site identified above. The proposed project includes demolition of an existing public parking lot and quadraplex, consolidation and subdivision of existing lots, and construction of a new mixed-use, primarily affordable housing development in Venice. Our records indicate that you have an ownership interest in property upon which the proposed development would occur. Section 30601.5 of the Coastal Act requires that all persons/entities having an interest of record in property that is the subject of a coastal development permit application be notified that an application has been submitted for development on that property and further requires that these persons/entities be invited to join as co-applicant:

Where the applicant for a coastal development permit is not the owner of a fee interest in the property on which a proposed development is to be located, but can demonstrate a legal right, interest, or other entitlement to use the property for the proposed development, the commission shall not require the holder or owner of any superior interest in the property to join the applicant as coapplicant. All holders or owners of any other interests of record in the affected property shall be notified in writing of the permit application and invited to join as coapplicant. In addition, prior to the issuance of a coastal development permit, the applicant shall demonstrate the authority to comply with all conditions of approval.

Please accept this letter as your invitation to join as co-applicant on the Coastal Development Permit Application identified above. Regardless of whether you choose to join as co-applicant, please be advised that the Commission will process this application, and in doing so, may impose special conditions upon any coastal development permit that is approved for the subject property. Since a coastal development permit and any requirements of the permit run with the land and since you have an ownership interest in the land, you would be required to comply with the terms and conditions of the permit if the development authorized by the permit is undertaken. As co-applicant on the application you would be able to actively participate in the permit entitlement process including, but not limited to, whether you wish to accept the terms and conditions of any permit granted by the Commission.

Please advise whether you wish to join as co-applicant by returning the attached form or by submitting written correspondence containing your response by **September 9, 2022**. Please call me with any questions at (562) 590-5071.

Sincerely,

Handwritten signature of Chloe Seifert in cursive.

Chloe Seifert
Coastal Program Analyst

Cc: Venice Community Housing Corporation, Hollywood Community Housing Corporation,
Latham & Watkins, Eric Owen Moss Architects
Attachments: Co-Applicant Acceptance/Rejection Form

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
301 E. Ocean Blvd, Suite 300
Long Beach, CA 90802-4302
(562) 590-5071



Co-Applicant Response Form

Coastal Development Permit Application No. 5-22-0588

Please check one of the following:

No, please do not add me as co-applicant. Even though I decline to join as co-applicant, I understand that I must comply with the terms and conditions of any coastal development permit issued for the property if any development approved by the permit is undertaken.

Yes, please add me as co-applicant.

If you responded "yes" to the above question, please also notify Commission staff whether any representatives (a.k.a. 'agent') will communicate on your behalf, for compensation, with the Commission or Commission staff. You may authorize the current agent to act as your representative or you may authorize any other agent(s) by filling out the information below:

I hereby authorize _____ to act as my representative and to bind me in all matters concerning this application.

(Co-Applicant's Signature)

(Date)

Please return this form to : California Coastal Commission
301 E. Ocean Blvd., Suite 300
Long Beach, CA, 90802

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
301 E Ocean Blvd
Long Beach, CA 90802-4830
(562) 590-5071



January 26, 2023

Christopher Murray
Rosenheim & Associates, Inc.
21600 Oxnard Street, Suite 630
Woodland Hills, CA 91367

Re: **SECOND NOTICE OF INCOMPLETE APPLICATION**

Application No. 5-22-0588

Site Addresses: 2102 – 2120 S. Pacific Ave., 2106 – 2116 S. Canal St., 116 – 302 E. N. Venice Blvd., 319 E. S. Venice Blvd., Venice, Los Angeles County, CA 90291

Dear Christopher Murray,

On July 11, 2022, our office received the above referenced coastal development permit (CDP) application. The proposed project includes demolition of an existing public parking lot and quadruplex, consolidation and subdivision of existing lots, and construction of a new mixed-use, affordable housing development in Venice. On August 10, 2022, Commission staff requested additional information and materials. On December 29, 2022, the applicant submitted additional information and materials. Commission staff have reviewed all submitted materials and determined that additional clarification remains necessary. Please accept this letter as notification that Application No. 5-22-0588 is incomplete pending receipt of the requested information. To complete your application, please submit the following:

- 1. Application Fee.** Section I.B of Appendix E requires an application fee of \$1,059 per unit, and 140 units are proposed, resulting in a \$148,260 fee for the residential project component. Additionally, Section II.A. of Appendix E should include the square footage of the public parking garage. **Staff have not received the check for \$38,041 photographed in Tab 5 of the submittal. Please note that staff have received the applicants' request for an application fee reduction, which may change the total amount required. We have continued discussions with management and will provide an update.**
- 2. Project Plans.** Summarize all differences between the Exhibit A plans and the addendum plans, including new or eliminated features. **Provide a complete set of plans (both a digital copy and one 11x17 physical copy) that reflect the project proposal as currently proposed. This may include the Exhibit A plan sheets and addendum plans. The plans should not include features that are no longer proposed, such as the subterranean level shown on Sheet A.3.21, or tables with outdated estimates. Summarize any revisions included in the new plan set, excluding those already summarized in Section 6.F. of the response letter.**
- 3. Income Requirements.** Indicate the income requirements for the proposed 136 "Low Income" housing units. **The response letter indicates at least 7 "Extremely Low Income" housing units and 129 "Very Low Income" units are proposed (but may**

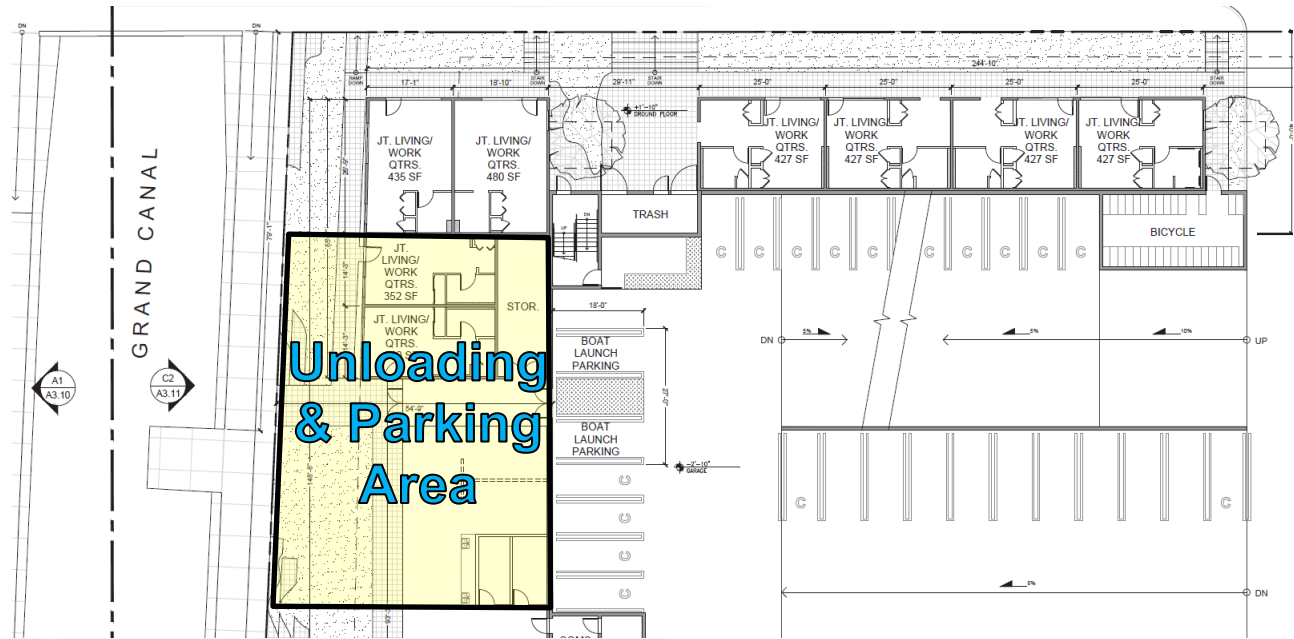
be adjusted to increase the percentage of “Extremely Low Income” units pending funding.) Clarify the discrepancy between this and the configuration of units summarized on Page 5 of the application cover letter dated July 8, 2022. Clarify which income level corresponds to the proposed supportive housing units and artist live-work units.

4. **Sea Level Rise Analysis.** Provide a summary of proposed measures and a feasibility analysis of additional measures to minimize risks and water quality impacts associated with inundation of the proposed development within the next 75 years, including, but not limited to, the use of shear walls, flood-proof materials, and locating mechanical equipment and hazardous substances on upper floors. **The submitted coastal hazards addendum indicates that the proposed materials may be retrofitted with safety measures in the event of future inundation, but does not specify any additional measures or provide any clarification on what retrofitting measures would be feasible. Provide an analysis of safety measures to feasibly minimize risk if warranted in the future.**
5. **Groundwater.** Provide the referenced geotechnical report and address the discrepancy in groundwater levels. **The submitted geotechnical report recommends minimization of onsite stormwater infiltration due to the associated risk of liquefaction. However, certified Venice LUP Policy I.D.1. requires canal-fronting development to provide “pervious surfacing with drainage control measures to filter storm run-off and direct it away from environmentally sensitive habitat area[.]” Analyze: A) how potential future rises in groundwater levels with sea level rise would influence liquefaction risk over the design life, and B) how the proposed foundation would withstand the higher differential settlement. Clarify whether the proposed 4,930 sq. ft. of onsite landscaping would be permeable. Indicate whether the project will increase or decrease the existing permeable area onsite. Provide a feasibility analysis of drainage control measures including, but not limited to, an onsite treatment facility, a drainage swale, and increasing the amount of pervious area onsite.**
6. **Tribal Cultural Resources.** Provide a feasibility analysis with at least two project design alternatives that would 1) avoid impacts to tribal cultural resources (e.g. eliminate all grading of native soils) and 2) minimize and mitigate impacts to tribal cultural resources (e.g. minimize the amount of grading and propose mitigation measures). **The response letter indicates the project has been redesigned to reduce the proposed volume of grading by 4,100 cy. Provide the currently proposed volume of cut and fill. These estimates should also be included on the plan set requested by Item 2 above.**
7. **Boat Launch Access Plan.** Provide a narrative plan to A) ensure the boat launch access ramp remains open during construction, and B) ensure the canal-cleaning vendor’s parking will be restricted to avoid blocking access to the public during peak use times. **Provide the proposed width of the path shown on the submitted boat launch access diagrams. Clarify where the canal-cleaning vendor will park during non-peak times and what non-peak times entails. The response letter indicates that the sidewalk in front of the oversized proposed boat launch unloading space**

will become the boat launch access ramp during construction. Clarify if this means a new ramp will be constructed and whether the fenced lot will be available during construction.

8. **Boat Launch Alternatives Analysis.** Provide an alternatives analysis, including but not limited to, plans showing at least seven public boat launch parking spaces and three loading areas located on the east side of Grand Canal adjacent to the boat launch access ramp. The alternatives analysis must also address the feasibility of:

A) maintaining the current location of the existing boat launch ramp loading area; **The response letter indicates that maintaining the existing unloading area adjacent to the boat ramp would eliminate 10 units and 400 sq. ft. of art studio. However, plan sheets A2.20 and A2.21 show 4 first-floor live-work units and 3 second-floor units within the footprint of the existing unloading area. Use narrative description and diagrams to specify how these areas correspond to 10 units and 400 sq. ft. of art studio. Provide analysis of maintaining the current location of the unloading area by eliminating (or relocating) 2 first-floor live-work units and a portion of artist studio to expand the first floor garage westward into the yellow area shown below. This method would allow visitors to walk directly from cars to the access ramp and provide boat ramp spaces without the need for relocation by parking vendors.**



B) constructing a new vehicle accessway for boat launching along the canal connecting North and South Venice Blvd; **The response letter indicates that constructing a new vehicle accessway enabling ramp access from North and South Venice Blvd. would eliminate any canal-fronting pedestrian walkways, 16 units, the entire community art studio, and 55-ft. of the public parking garage width. Use narrative description and diagrams to show the displacement of these areas.**

- C) locating the public boat launch access parking spaces in the portion of the parking structure closest to the boat launch ramp and providing direct access from the parking to the boat launch. **The response letter indicates “Access/egress to the boat launch loading area from both North and South Venice Blvd Capacity” will be provided to canal-cleaning vendors. Clarify the discrepancy between this statement and the applicants’ response to Item 7b. Label the 7 long-term boat access ramp parking spaces in the currently proposed boat launch access ramp diagrams.**
9. **Lots 701 and 731.** Provide a narrative description of the current operation of LADOT Lot Nos. 701 and 731, including the current rates per hour and/or per day for use of the public parking spaces and any changes to the parking rates that have occurred since Commission approval of CDP 5-94-081. **The response letter indicates current hourly and daily rates for Lots 731 and 701 that exceed the rates approved by a 2001 CDP (i.e. \$3-11/day adjusted seasonally.) Provide City records of all hourly and daily parking rate increases since 1994. Clarify the project description by A) providing a summary of rate increases since 1994 and evidence that all rate increases were approved via CDPs, CDP amendments, or Commission Executive Director approved exemptions; or B) revising the project description to request after-the-fact approval for an increase in public parking rates. Additionally, Page 16 of the response letter indicates up to \$25 per hour rates for parking on Thursday through Sunday and holidays. Confirm whether this is an hourly rate or flat rate for a full day. Additionally, staff have received photographs from an appellant showing signs with flat rates and no hourly rates listed (Attachment 1). Provide evidence of signage advertising hourly rates and clarify why hourly payment is not always available.**
10. **Parking Utilization Study.** Clarify why weekdays AM, weekends AM, and holidays PM were not included in the Tierra West parking survey. **The response letter indicates that weekend mornings and holiday afternoons are “known not to be peak demand periods[.]” Clarify the basis for this assumption, considering some visitors arrive at the beach at the beginning of the day and remain through the afternoon. Provide a figure showing average utilization data for City and County-managed public parking lots located in the study area on weekends AM and holidays PM, including Lots 701 and 731. The figure should be formatted consistent with Figures 3-8 of the parking study. Additionally, the Tierra West parking survey appears to contain a discrepancy: Page 10 indicates that data was collected “during peak summer months (July 2019 – September 2019)” via windshield/walking surveys on 16 separate occasions. But the data table on Page 55 in the appendix lists 16 surveys conducted on August 31 through September 19, 2019. Clarify the discrepancy and provide all data collected for the parking survey. Clarify why these dates were chosen to represent peak summer hours, rather than dates that included the 4th of July holiday and the season before LA County schools resumed instruction (August 15th.)**
11. **Temporary Replacement Parking Plan (TRPP).** Page 2 of the TRPP states that public parking in Lot 731 will be “completely or partially unavailable” during construction of the proposed east structure. However, the TRPP also states that the “west site

Second Notice of Incomplete Application
Application No. 5-22-0588

portion of Lot 731” could be used for replacement parking during construction of the east structure. Clarify this discrepancy and indicate what area is encompassed by the west site portion of Lot 731. **Provide the number of public parking spaces available to the public if the eastern garage were constructed as Phase I. (Staff understand this method is not currently proposed by the applicant.)**

12. EV Parking. If the EV charging stations are intended for use in the proposed public parking structure, clarify why this component is not included in the subject application. Note that the Commission has recently required provision of EV parking spaces in conjunction with the approval of projects with a significant parking component. **Note the proposed number and location of EV charging stations on the plan set requested by Item 2 above. Also, clarify whether the proposed EV charging will be accessible to all models of EV cars as opposed to specific EV car models.**

13. Public Parking Management Plan (PPMP). Provide a narrative description clarifying:

- A. the qualitative difference between parking spaces available under Premium versus Value; **The letter suggests that while most self-park spaces on the first floor will be provided as Premium for \$15 per hour, other self-park spaces may be provided as Value for \$7.50 per hour. The letter suggests the \$7.50 difference in hourly rates may be based solely on proximity to elevators and access points. Confirm whether this is correct or provide a comprehensive explanation regarding the difference(s) in the different types of parking proposed.**
- B. the purpose of the rotating tier system described on Page 7 of the PPMP; **Explain how the tier system would mitigate carbon emissions. Clarify the discrepancy between Page 20 of the response letter, which indicates only daily rates are currently available onsite, and the hourly rates provided on Page 16. Clarify the primary purpose of charging more for Premium and Value spaces.**
- C. why the self-parking provided under Premium and Value is valued at higher rates than the mechanized lift parking provided under Economy; **The response letter suggests some Value parking spaces may be located on self-park floors. Confirm whether this is correct and/or provide the reasoning behind this proposal.**
- D. whether visitors on the first and third levels will be able to access their vehicles without vehicle retrieval from management; **Indicate whether the applicant is currently proposing to design a new parking app or use an existing app.**
- E. how visitors will safely unload their belongings (such as coolers, chairs, and other recreational equipment) in the attendant drop area without creating a vehicle back-up. **Provide a diagram showing the location of each drop zone and how vehicles would leave the inner lane to park.**

The applicants' submittal did not provide the requested proposal to mitigate the public access impacts of multiple years of boat launch inaccessibility, which include such options as expanding the size of the boat launch, improving public amenities in that location (such

Second Notice of Incomplete Application
Application No. 5-22-0588

as a public restroom, water fountains, etc.), increasing the number of boat launch parking spaces, or other measures to improve public use of the boat launch.

Commission staff are considering options to address the obstruction of the Commission-required public boat launching ramp on-site, which constitutes an ongoing violation of the Coastal Act. The boat launch and parking is required to be open pursuant to the terms and conditions of CDP Nos. 5-91-584, 5-92-377, and subsequent amendments; its closure is inconsistent with and a violation of those permits. Commission Enforcement staff has instructed the City to open the boat launch pursuant to the permit requirements. Additionally, the increase in parking rates in Lot 731 without Commission authorization constitutes a violation of the conditions of CDP 5-94-081, unless the City can provide evidence of Commission approval for the rate increases.

Please do not limit your submittal to the above mentioned items—you may submit any information which you feel may help Commission staff gain a clear understanding of the scope of your project. Upon receipt of the requested materials, we will proceed with determining the completeness of your application. You can contact me with any questions at chloe.seifert@coastal.ca.gov.

Sincerely,



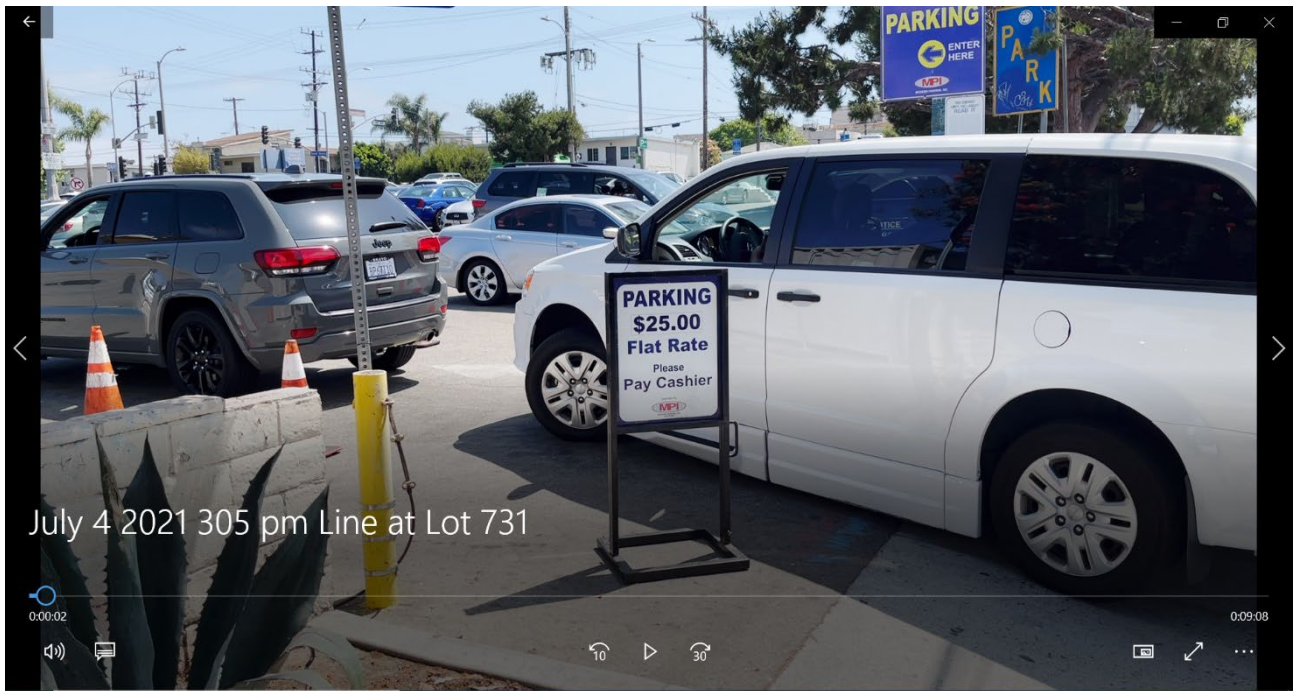
Chloe Seifert
Coastal Program Analyst II

cc: Ira Brown, City of Los Angeles Planning Department
Duncan Joseph Moore, Latham & Watkins
Beth Gordie, Latham & Watkins
Alicia Robinson, Latham & Watkins
Kailen Malloy, Latham & Watkins
Eric McNevin, Eric Owen Moss Architects

Attachment: Photos of Lot 731 Signage

Second Notice of Incomplete Application
Application No. 5-22-0588

Attachment 1



Source: Jeffrey Kavin, appellant.

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
301 E Ocean Blvd
Long Beach, CA 90802-4830
(562) 590-5071



May 24, 2023

Christopher Murray
Rosenheim & Associates, Inc.
21600 Oxnard Street, Suite 630
Woodland Hills, CA 91367

Re: **THIRD NOTICE OF INCOMPLETE APPLICATION**

Application No. 5-22-0588

Site Addresses: 2102 – 2120 S. Pacific Ave., 2106 – 2116 S. Canal St., 116 – 302
E. N. Venice Blvd., 319 E. S. Venice Blvd., Venice, Los Angeles County, CA 90291

Dear Christopher Murray,

On July 11, 2022, our office received the above referenced coastal development permit (CDP) application. The proposed project includes demolition of an existing public parking lot and quadruplex, consolidation and subdivision of existing lots, and construction of a new mixed-use, affordable housing development in Venice. On August 10, 2022, Commission staff requested additional information and materials. On December 29, 2022, the applicant submitted additional information and materials. On January 26, 2023, Commission staff requested additional information and materials. On April 26, 2023, the applicant submitted additional information and materials. Commission staff have reviewed the submittal and determined that additional clarification remains necessary. Please accept this letter as notification that Application No. 5-22-0588 is incomplete pending receipt of the requested information. To complete your application, please submit the following:

1. **Groundwater.** Provide a feasibility analysis of drainage control measures including, but not limited to, an onsite treatment facility, a drainage swale, and increasing the amount of pervious area onsite. **The response letter received on April 26, 2023 proposes the installation of cisterns on either side of the canal to collect stormwater for irrigation use, but the project plans do not show any below- or above-ground cistern structures on-site.**

A. Provide a runoff management plan including:

- i. **A figure noting all impervious rooftops and paved areas exposed to runoff, the direction of runoff flows, and the discharge locations of runoff flows;**
- ii. **A figure noting the direction of runoff (or onsite infiltration) from landscaped and vegetated areas and noting whether sheet flow runoff from these areas would be discharged directly into the canal;**
- iii. **A description of any runoff treatment best management practices (BMPs) proposed; and**

- iv. **A description of where wash water generated from maintenance cleaning of the parking garages will drain and whether it would receive any pollutant-removal treatment prior to off-site discharge.**

B. Provide a cistern plan including:

- i. **A figure showing the size, number, and location of all proposed cisterns;**
 - ii. **Estimation of the maximum runoff volume accommodated by the cisterns (with calculations of values and sources of values included) and whether it meets the 85th percentile, 24-hour design storm volume;**
 - iii. **A description of the type of impervious surfaces and total impervious surface area draining to the cisterns; and**
 - iv. **A description of any treatment BMPs proposed for the water in the cisterns prior to irrigation use.**
- 2. Boat Launch Access Plan.** Provide a narrative plan to ensure the canal-cleaning vendor's parking will be restricted to avoid blocking access to the public during peak use times. Clarify where the canal-cleaning vendor will park during non-peak times and what non-peak times entails. **Clarify whether the proposed water-bottle filling station and meeting area are proposed within the areas marked "Boat Launch Storage" and/or "Boat Launch Staging" on the plans. Indicate whether the proposed Staging Area would serve any other functions (like a general pedestrian exit or the location of pay kiosks). Additionally, the response letter proposes a single parking space for the canal-cleaning vendor—but photographs from the Venice Canals Association show that the canal-cleaning vendors have required a trailer and large dumpsters in the past to remove large volumes of algae (Attachment 1). Describe how the proposed boat launch ramp access plan will accommodate a trailer and up to two large dumpsters. Clarify whether the canal-cleaning vendors would still be able to access the boat launch access ramp during development construction.**
- 3. Boat Launch Alternatives Analysis.** Provide an alternatives analysis, including but not limited to, plans showing at least seven public boat launch parking spaces and three loading areas located on the east side of Grand Canal adjacent to the boat launch access ramp. **The submitted alternatives analysis indicates that an accessway between North and South Venice Boulevard would require elimination of 16 units and 2,875 sq. ft. of art studio. Clarify why a ground floor accessway would require elimination of second and third floor area, rather than retaining the upper floor units via an overhang structure. Provide analysis of the following alternatives that may allow retention of boat launch parking spaces in the existing configuration:**
- A. **Locating the boat launch ramp parking spaces in the location shown in the submitted Alternative 3 and allowing ingress and egress solely from North Venice Boulevard (see Figure A below); and**

Third Notice of Incomplete Application
Application No. 5-22-0588

4. **Lots 701 and 731.** Provide City records of all hourly and daily parking rate increases since 1994. Clarify the project description by A) providing a summary of rate increases since 1994 and evidence that all rate increases were approved via CDPs, CDP amendments, or Commission Executive Director approved exemptions; or B) revising the project description to request after-the-fact approval for an increase in public parking rates. **The co-applicants, VCHC and HCHC, propose demolition of an existing public parking lot with long-term public access violations resulting from years of non-compliance with the terms of Coastal Development Permit Nos. 5-91-584/5-92-377-A1. Construction of a new parking lot on the subject site would require resolution and mitigation of the public access violations on-site. Staff have contacted the City requesting that they become a co-applicant for the subject application or apply for an amendment to Coastal Development Permit Nos. 5-91-584/5-92-377-A1. Without either of these actions, staff would not support parking fees exceeding the prior authorization for a maximum flat rate of \$5 per day. Clarify the project description by A) providing evidence that all rate increases were approved via CDPs, CDP amendments, or Commission Executive Director approved exemptions; or B) revise the project description to request after-the-fact approval for an increase in public parking rates.**

5. **Public Parking Management Plan (PPMP).** Provide a narrative description clarifying how visitors will safely unload their belongings (such as coolers, chairs, and other recreational equipment) in the attendant drop area without creating a vehicle back-up. Provide a diagram showing the location of each drop zone and how vehicles would leave the inner lane to park. **The submitted Parking Drop-Off Zone plans reference Sheet A5.70 for “enlarged parking plan”, but it was not included in the submittal. Provide the referenced enlarged parking plan. Clarify how vehicles turning toward the staging spaces on the second and third floors would avoid unloading passengers and maintain their safety. Clarify why staging spaces are provided on the second floor despite the absence of lift parking on that level. Confirm whether the staging spaces would be used by both arrivals and departures (who would also need to re-load their vehicles.)**

Please do not limit your submittal to the above mentioned items—you may submit any information which you feel may help Commission staff gain a clear understanding of the scope of your project. Upon receipt of the requested materials, we will proceed with determining the completeness of your application. You can contact me with any questions at chloe.seifert@coastal.ca.gov.

Sincerely,



Chloe Seifert
Coastal Program Analyst II

cc: Ira Brown, City of Los Angeles Planning Department
Duncan Joseph Moore, Latham & Watkins
Beth Gordie, Latham & Watkins
Alicia Robinson, Latham & Watkins
Kailen Malloy, Latham & Watkins
Eric McNevin, Eric Owen Moss Architects

Third Notice of Incomplete Application
Application No. 5-22-0588

Attachment: Photos of Canal-Cleaning Service



Photo provided by Venice Canals Association of canal-cleaning vehicle.



Photo provided by Venice Canals Association of algae collected from canal.

Third Notice of Incomplete Application
Application No. 5-22-0588



Photo provided by Venice Canals Association of canal-cleaning.



Photo provided by Venice Canals Association of algal bloom in Venice Canals.

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
301 E Ocean Blvd
Long Beach, CA 90802-4830
(562) 590-5071



September 1, 2023

Christopher Murray
Rosenheim & Associates, Inc.
21600 Oxnard Street, Suite 630
Woodland Hills, CA 91367

Re: **FOURTH NOTICE OF INCOMPLETE APPLICATION**

Application No. 5-22-0588

Site Addresses: 2102 – 2120 S. Pacific Ave., 2106 – 2116 S. Canal St., 116 – 302 E. N. Venice Blvd., 319 E. S. Venice Blvd., Venice, Los Angeles County, CA 90291

Dear Christopher Murray,

On July 11, 2022, our office received the above referenced coastal development permit (CDP) application. The proposed project includes demolition of an existing public parking lot and quadruplex, consolidation and subdivision of existing lots, and construction of a new mixed-use, affordable housing development in Venice. On August 10, 2022, Commission staff requested additional information and materials. On December 29, 2022, the applicant submitted additional information and materials. On January 26, 2023, Commission staff requested additional information and materials. On April 26, 2023, the applicant submitted additional information and materials. On May 24, 2023, Commission staff requested additional information and materials. On August 2, 2023, the applicant submitted additional information and materials. Commission staff have reviewed the submittal and determined that additional clarification remains necessary. Please accept this letter as notification that Application No. 5-22-0588 is incomplete pending receipt of the requested information. To complete your application, please submit the following:

1. **Groundwater.** Provide a feasibility analysis of drainage control measures including, but not limited to, an onsite treatment facility, a drainage swale, and increasing the amount of pervious area onsite. **The submitted drainage figures and narrative, dated August 2, 2023, does not indicate that chemical pollutants from the parking lot wash water, paved surfaces, and vegetated area runoff would be prevented from flowing into the canal system or storm drains. The LID Runoff Management Plan and LID Design Memo indicate that the project will ultimately discharge to North and South Venice Boulevard. Provide the following:**
 - A. **Describe any proposed treatment process for water collected in the cisterns prior to use as irrigation water or discharge to the streets. Indicate whether the treatment would be sufficient to remove oil, antifreeze, 6PPD-quinone, and other common parking lot pollutants.**
 - B. **Confirm whether the stormwater discharge locations on North and South Venice Boulevard drain to a coastal waterway (including canals, lagoons, and the ocean) and, if so, propose a treatment method to prevent introduction of**

Fourth Notice of Incomplete Application
Application No. 5-22-0588

herbicides, pesticides, fertilizers, debris, petroleum, and other pollutants into the storm drains and connecting waterways.

Additionally, the applicants submitted a coastal hazards report addendum published by GeoSoils, Inc., dated April 14, 2023, in response to staff’s second notice of incomplete application. The addendum states: “[T]he current FEMA base flood elevation (BFE) for the Project site is 8 feet NAVD88 and the project lowest FF [finished floor] is about +11 feet NAVD88. ...The building utilities (e.g. gas and electric meters, AC units, and furnaces) will be elevated where possible such that they will not be impacted by flooding.” However, on August 24, 2023, the applicants submitted an elevation figure via email indicating +9 ft. NAVD88 is the lowest finished floor area on the project site (Attachment 1). Clarify the discrepancy in the proposed lowest finished floor elevation. Describe why most of the proposed east structure would be located at a lower elevation than the surrounding project area. Complete the below table:

Structure/Location	Elevation (NAVD88)
Current Mean Sea Level	+2.59 ft.
Grand Canal	+5.50 ft.
Washington Tide Gate	+6.90 ft.
FEMA’s Projected Baseline Flood Elevation	+8.00 ft.
Lowest Finished Floor Elevation (PROPOSED)	_____
Highest Finished Floor Elevation (PROPOSED)	_____
Highest Project Site Elevation (EXISTING)	_____
Lowest Project Site Elevation (EXISTING)	_____
Marina del Rey Tide Gate	+16.00 ft.

On August 24, 2023, the applicants also stated via email that tsunami evacuation plans and a methane mitigation system have not yet been designed (Attachment 2). Provide tsunami evacuation plans for the proposed development (including both structures on either side of Grand Canal). Provide an analysis of the proposed cisterns’ impact on the subterranean methane system present at the project site. Clarify the proposed cistern depth below grade.

- 2. Boat Launch Access Plan.** Provide a narrative plan to ensure the canal-cleaning vendor’s parking will be restricted to avoid blocking access to the public during peak use times. Clarify whether the canal-cleaning vendor would still be able to access the

boat launch access ramp during development construction. **The response letter dated August 2, 2023 states that the boat launch ramp will remain open during construction. Provide a narrative description of boat ramp access during construction, including:**

- A. whether any boat launch parking spaces (on-street and off-street) would remain available;**
- B. whether the existing footpath would be the sole method of access;**
- C. what areas of the project site would be excluded from public access during construction; and**
- D. where construction materials would be staged during work on the west and east sides of Grand Canal (and which would occur first).**

Additionally, the response letter indicates that temporary obstructions may be necessary and that the canal-cleaning vendor can use other canal access-points during those instances. Describe the types of work that would necessitate temporary closures and clarify what other canal access-points are available in the Venice Canals system.

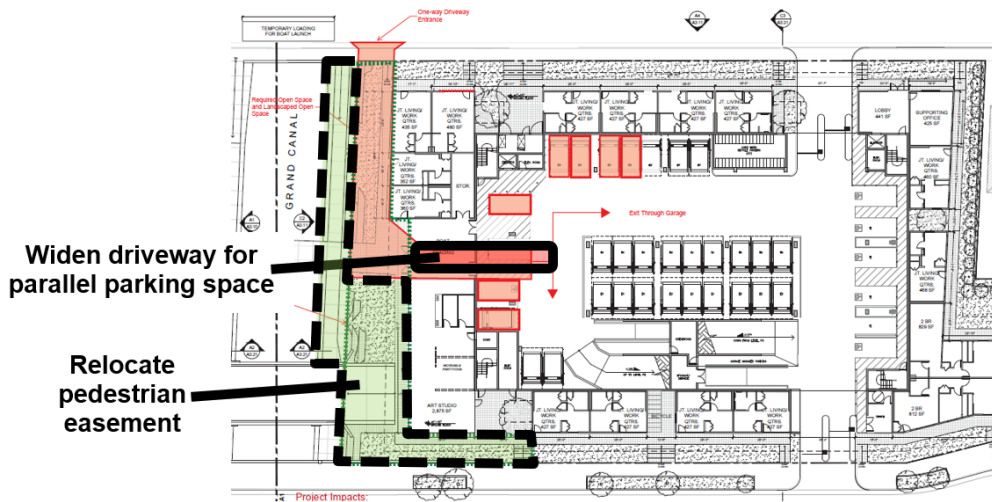
- 3. Boat Launch Alternatives Analysis.** Provide an alternatives analysis, including but not limited to, plans showing at least seven public boat launch parking spaces and three loading areas located on the east side of Grand Canal adjacent to the boat launch access ramp. **The response letter indicates that cantilevering ground-floor units above parking and drive aisles would not be economically or physically feasible. Provide the cost estimates and engineering analysis supporting this statement.**

For clarity (and to avoid confusing staff's alphabetized requests with the alternative names), staff have compiled all boat launch alternatives received thus far with enumerated names based on order of receipt. Provide analysis of the following alternatives based on the compiled alternatives (Attachment 3).

- A. Define the "heat island effect" described in the feasibility analysis for Alternatives 1 and 2. Indicate whether the driveway in Alternatives 1 and 2 would enable backing in and out consistent with the Los Angeles Department of Building and Safety's minimum required turning radii.**
- B. Based on the submitted information, Alternative 4 appears feasible and would accomplish the goal of retaining vehicular access and drop-off area immediately adjacent to the existing boat launch ramp. To address the issues raised in your letter, please revise Alternative 4 to:**
 - i. Provide one parallel parking space in the area located immediately north of the driveway, as shown in outlined red in Figure B below; and**

- ii. It appears that there is adequate space to provide both separated vehicular and pedestrian access on the portion of the site immediately north of the boat launch ramp in a safe manner. To address this issue, the plans should relocate the pedestrian access easement in Sheet A1.12 of the City-approved Entitlement Plans to the walkway to the left of the driveway, as shown in outlined green in Figure B below. (Note that the subject Development Agreement is also subject to Commission review as a component of the subject application, and may be revised by Commission special conditions if necessary for Chapter 3 Coastal Act consistency). In addition, the staging/drop-off area for boat launch use (shown in red below) should be expanded to include the full area of the plans currently titled “Boat Launch Staging”.

Describe the “additional fire separation” referenced in the feasibility analysis of Alternative 4. Provide analysis of whether the curb cut eliminations proposed in other areas of the project site would mitigate the curb cut necessary for the driveway in Alternative 4. Estimate the driveway width shown on Alternative 4 and confirm whether it meets the Los Angeles Department of Building and Safety minimum requirements.



4. **Lots 701 and 731.** Provide City records of all hourly and daily parking rate increases since 1994. Clarify the project description by A) providing a summary of rate increases since 1994 and evidence that all rate increases were approved via CDPs, CDP amendments, or Commission Executive Director approved exemptions; or B) revising the project description to request after-the-fact approval for an increase in public parking rates. **The response letter dated August 2, 2023 states that discussion of current parking rates in Lot 731 should be held between Commission staff and the City. Commission staff have requested the City of Los Angeles Department of Transportation (LADOT) become a co-applicant for the subject application or apply for an amendment to Coastal Development Permit Nos. 5-91-584/5-92-377-A1. The City declined to become a co-applicant for the subject application and has not applied for an amendment to Coastal Development Permit Nos. 5-91-584/5-92-377-A1. Additionally, the Development Agreement between the**

applicants (Venice Community Housing Corporation and Hollywood Community Housing Corporation) and the City required execution of a separate Parking Agreement between the City and an affiliate of the applicants, to build and operate the public parking garage proposed within the surrounding private development (Art. 1.1.d of the Development Agreement). The Development Agreement timeline for this Parking Agreement was June 2022 (Exhibit C to the Development Agreement); it is our understanding that the Parking Agreement has not been executed, and the Development Agreement specifically states that the parking garage is outside the Scope of Development (Exhibit D to the Development Agreement). Thus, the applicants do not have the legal authority to build or operate the proposed public parking garage on the City-owned project site. The applicants must demonstrate legal authority to conduct the proposed scope of work. Alternatively, the City could submit a separate CDP application for a Parking Management Program to build and/or operate the proposed parking garage. Provide evidence of the applicants' legal authority or the City's application for the separate CDP application.

5. **Public Parking Management Plan (PPMP).** Provide a narrative description clarifying how visitors will safely unload their belongings (such as coolers, chairs, and other recreational equipment) in the attendant drop area without creating a vehicle back-up. Provide a diagram showing the location of each drop zone and how vehicles would leave the inner lane to park. **Provide the Parking Agreement for the proposed public parking garage as referenced in the Development Agreement between the applicant and the City. The provision should include, at minimum:**
 - A. **Evidence of the applicants' ability to feasibly provide at least 196 public parking spaces on the project site (via a lift system or additional levels);**
 - B. **Evidence that the City is in agreement with the public parking plan as proposed, including evidence that the City has agreed to manage and operate the public parking lot, as referenced in the Development Agreement.**

Please do not limit your submittal to the above mentioned items—you may submit any information which you feel may help Commission staff gain a clear understanding of the scope of your project. Upon receipt of the requested materials, we will proceed with determining the completeness of your application. You can contact me with any questions at chloe.seifert@coastal.ca.gov.

Sincerely,



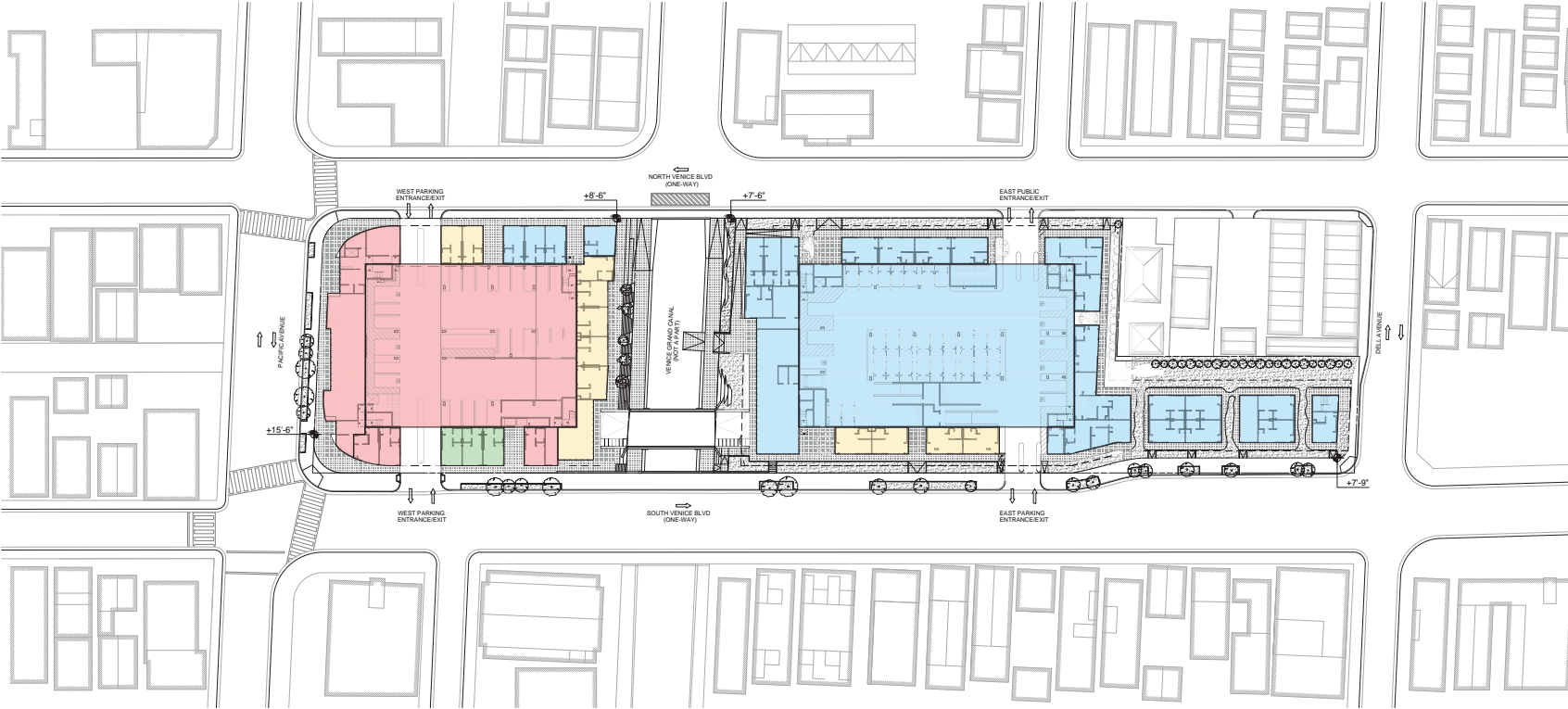
Chloe Seifert
Coastal Program Analyst II

Fourth Notice of Incomplete Application
Application No. 5-22-0588

cc: Ira Brown, City of Los Angeles Planning Department
Duncan Joseph Moore, Latham & Watkins
Beth Gordie, Latham & Watkins
Alicia Robinson, Latham & Watkins
Kailen Malloy, Latham & Watkins
Eric McNevin, Eric Owen Moss Architects

Attachments: Elevation Figure dated August 24, 2023
Correspondence dated August 24, 2023.
Net Alternatives as of August 24, 2023.

Attachment 1: Elevation Figure dated August 24, 2023



FF ELEVATIONS

- + 9.00'
- + 10.00'
- + 11.00'
- + 12.00'

Attachment 2: Correspondence dated August 24, 2023

From: Becky Dennison <bdennison@vchcorp.org>
Sent: Thursday, August 24, 2023 9:20 AM
To: Seifert, Chloe@Coastal
Cc: Eleanor Atkins
Subject: RE: Additional Clarifications (Venice Dell)
Attachments: 230823 Approximate FF Elevations.pdf; IMG_4895.jpg

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Chloe,

We wanted to submit the answers to this last set of questions. They are below. Let us know if you need anything more on these topics or others, and look forward to feedback or clarifying discussion on the boat launch designs. Can you confirm you received those? I usually get a confirmation from you, so want to be sure you have them.

Thanks,
Becky

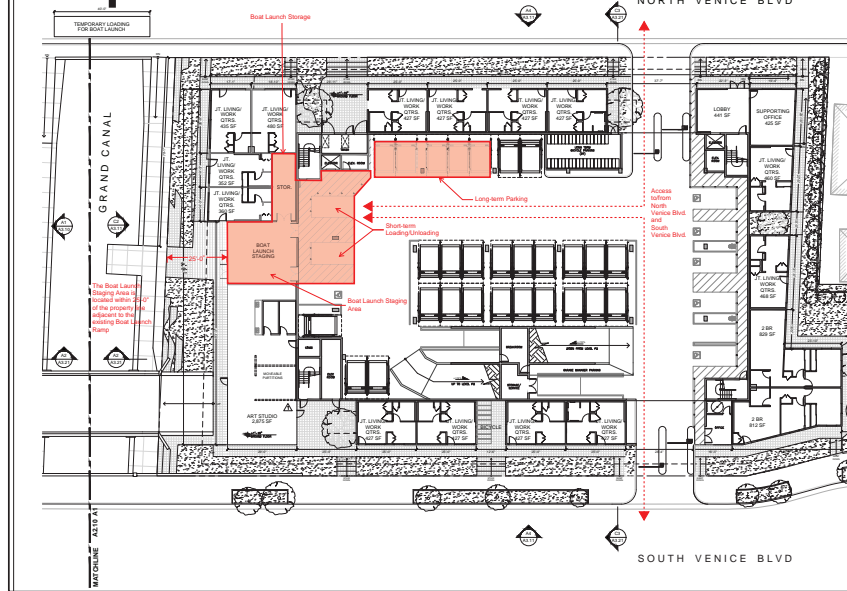
Finish Floor Levels

The project will provide interior finish floor elevations and utilities elevations at or above +9 ft. NAVD88 in accordance with LADBS requirements. In addition, the project will follow the recommendations outlined in the Sea Level Rise report prepared for the project by GeoSoils, Inc. The **attached** diagram shows approximate elevations of the finish floor at this stage of project development.

1. Tsunami evacuation plans have not been submitted to LADBS. The City has published evacuation maps for the area, and the project will comply with LADBS requirements regarding flood management.
2. The methane mitigation system has not been designed yet. It will be designed later in the design process during the design development phase.
3. Cistern designs have not been submitted to LADBS yet. The design of these systems will continue to develop and will be reviewed with LADBS during the plan check process.
4. The project will use an off-site construction waste disposal site in Gardena (address below). For temporary on-site storage of waste, Arrow will provide covered 40-yard bins to be used on-site and transported to the off-site disposal site. The covers keep birds and rodents out of the bins, and help prevent trash and debris from spreading and/or ending up in the waterways. **See attached** for photos of the bins for reference.

Arrow Services
621 W. 152nd Street
Gardena, CA 90247

Proposed

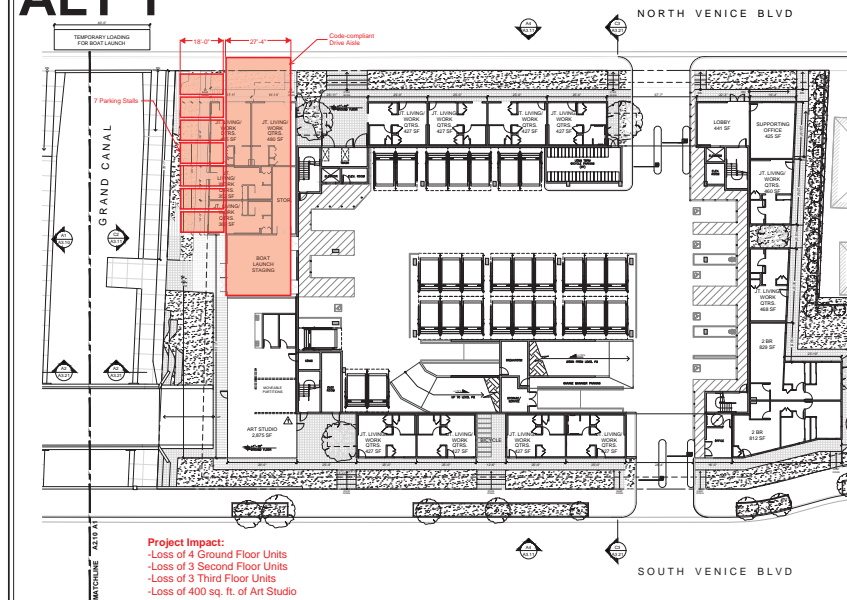


Proposed Layout with Boat Launch Staging Area

Key Factors:

- + Maintains pedestrian recreational areas along the canal, and therefore encourages public access and activity along the canal to a wide range of users.
- + Maintains permeable landscaping along the canal.
- + Does not interfere with pedestrian access and accessible routes of travel north-south between North Venice and South Venice Boulevards and east-west between the public parking garage and the canal.
- + Provides new staging area for boat preparation, meetings, events, loading and unloading of equipment, etc.
- + Provides new indoor storage area for canal users.
- + Loading spaces insure that every user has a prime location to unload boats and equipment.
- + Attendant-based system ensures that boat launch spaces are used by the proper group.
- + Vehicles are stored in a secure, covered location with staff supervision.
- + Provides vehicular access/egress from both North and South Venice Blvd.
- + Enhances public access to the canal by providing boat launch parking expansion beyond 7 spaces when needed.
- + Maintains and expands the available parking for boat launch users while shielding the parking from public view and prioritizing pedestrian use along the canal.

ALT 1



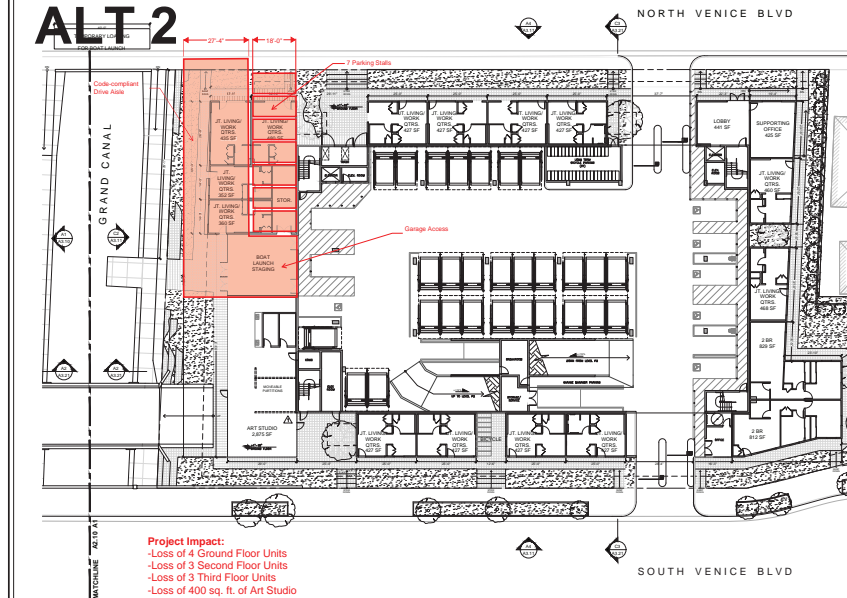
Alternative A: Current Boat Launch Location

Key Factors:

- Results in a loss of 10 residential units and 400 square feet of Art Studio
- Disrupts pedestrian circulation by blocking the area between the parking garage and the canal, and blocking pedestrian routes between North Venice Boulevard and South Venice Boulevard.
- Removes a valuable public amenity along the canal by eliminating landscaping and seating along the west edge of the canal.
- Removes permeable landscaping from the project.
- Places a non-permeable surface parking lot with potential for surface runoff directly adjacent to the canal.
- Removes recreational, residential, and cultural uses along the canal, and replaces them with a surface parking lot.
- Cars and paving along the canal create a heat island effect along the canal.
- Creates a dangerous mix of vehicular traffic and pedestrians along the canal.
- Blocks a disproportionate amount of canal frontage relative to the number of users using the boat launch.
- Does not bring boat launch users closer to the canal than the proposed layout above.
- Limited to 7 standard parking spaces.

Project Impact:
 -Loss of 4 Ground Floor Units
 -Loss of 3 Second Floor Units
 -Loss of 3 Third Floor Units
 -Loss of 400 sq. ft. of Art Studio

ALT 2



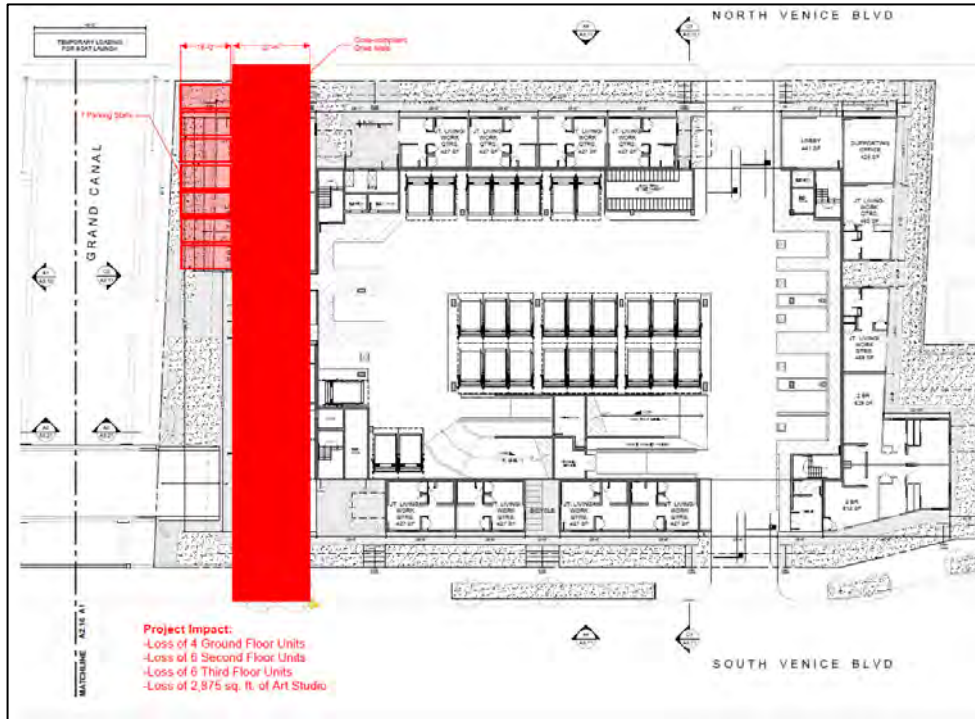
Alternative B: Current Boat Launch Location with Connection to Public Parking Garage.

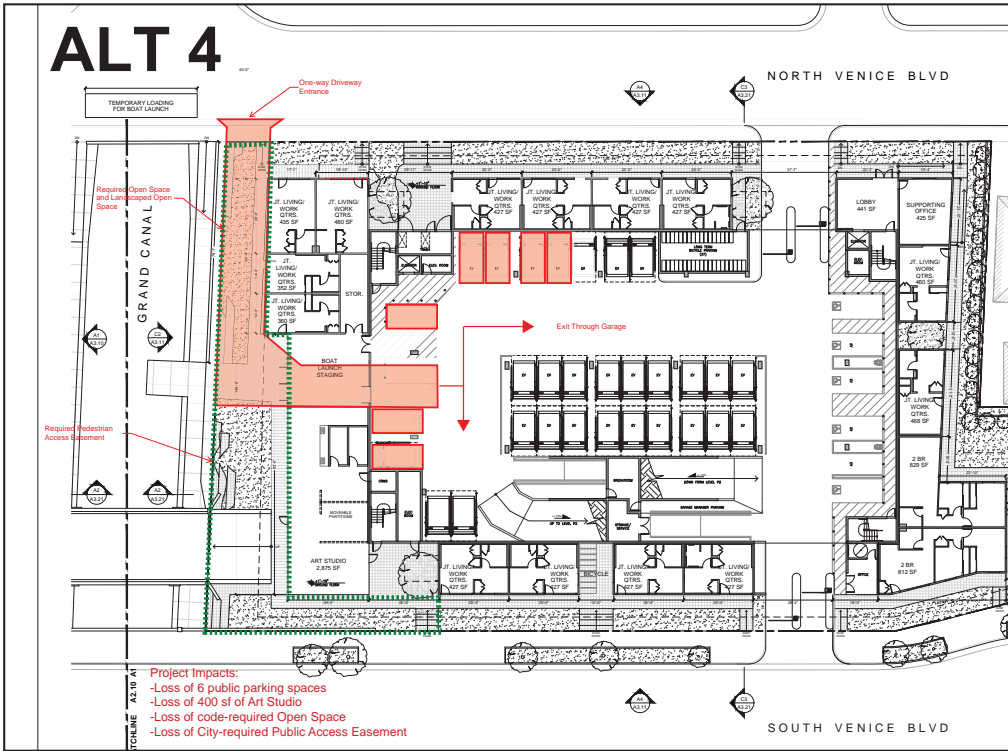
Key Factors:

- Results in a loss of 10 residential units and 400 square feet of Art Studio
- Disrupts pedestrian circulation by blocking the area between the parking garage and the canal, and blocking pedestrian routes between North Venice Boulevard and South Venice Boulevard.
- Removes a valuable public amenity along the canal by eliminating landscaping and seating along the west edge of the canal.
- Removes permeable landscaping from the project.
- Places a non-permeable surface parking lot with potential for surface runoff directly adjacent to the canal.
- Removes recreational, residential, and cultural uses along the canal, and replaces them with a surface parking lot.
- Cars and paving along the canal create a heat island effect along the canal.
- Creates a dangerous mix of vehicular traffic and pedestrians along the canal.
- Blocks a disproportionate amount of canal frontage relative to the number of users using the boat launch.
- Complicates garage circulation by adding a third point of access/egress.
- Limited to 7 standard parking spaces.

Project Impact:
 -Loss of 4 Ground Floor Units
 -Loss of 3 Second Floor Units
 -Loss of 3 Third Floor Units
 -Loss of 400 sq. ft. of Art Studio

ALT 3

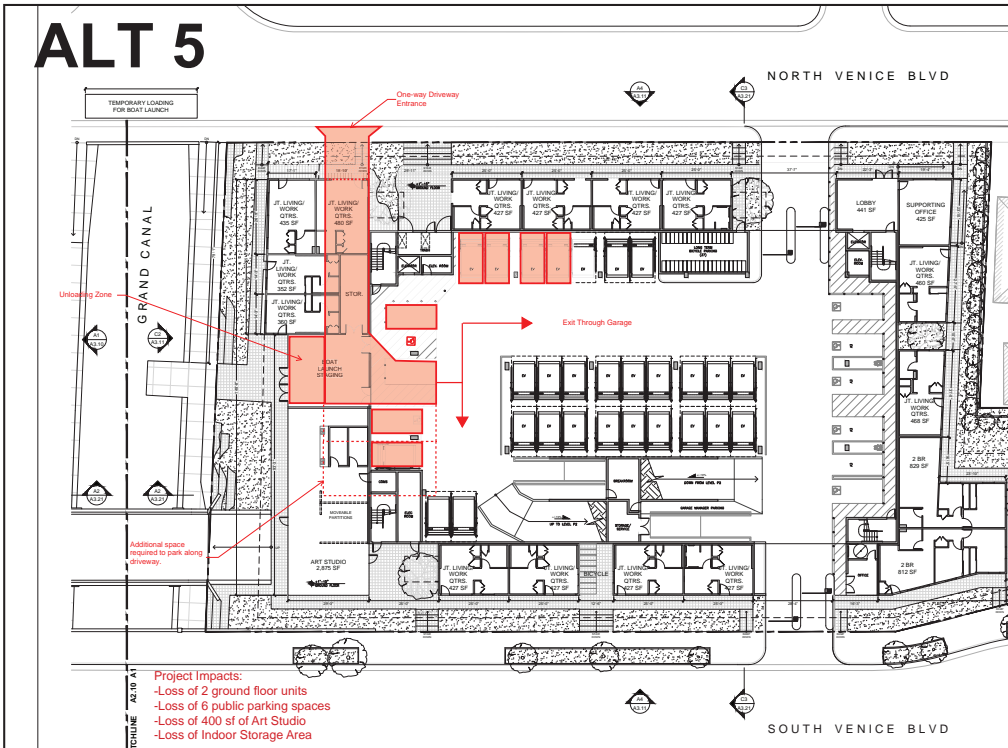




Alternative: Dedicated Driveway Along Canal

Key Factors:

- Proposed driveway conflicts with required Pedestrian Access Easement outlined on sheet A1.12 of the entitlement drawings approved by the City of Los Angeles.
- Proposed driveway eliminates approximately 1,650 sf of open space, including approximately 800 sf of landscaped open space as outlines on sheet G0.01 of the entitlement drawings approved by the City of Los Angeles. The total Open Space provided would be less than what is required by code.
- Proposed driveway intersects the existing on-site ramp access to the boat launch on the East Site.
- Results in a loss of 6 public parking spaces in exchange for non-stacking boat launch parking stalls.
- Results in the loss of at least two public parking spaces on North Venice Boulevard.
- Results in the loss of 400 sf of Art Studio.
- Requires additional fire separation to allow vehicles to pass through/under residential building.



Alternative: Dedicated Driveway Through Residential

Key Factors:

- Results in a loss of 2 residential units and 400 square feet of Art Studio
- Results in the loss of 6 public parking spaces in exchange for non-stacking boat launch access spaces.
- Results in the loss of 400 sf of Art Studio.
- Results in the loss of the indoor storage area for canal users.
- Results in the loss of at least two public parking spaces on North Venice Boulevard.
- Requires additional fire separation to allow vehicles to pass through/under residential building.
- Requires additional signage/wayfinding to avoid confusion between the two North Venice Boulevard entrances.

*Note: If a row of parking spaces were provided south of the driveway it would require a larger, 27'-4" wide driveway and would adversely impact the utility and stairway core in the southwest corner of the garage.

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
301 E Ocean Blvd
Long Beach, CA 90802-4830
(562) 590-5071



September 11, 2023

Juliet Oh
Senior City Planner
200 N. Spring St., Room 721
Los Angeles, CA 90012

Re: **NOTICE OF INCOMPLETE APPLICATION**
City of Venice Proposed Amendment No. LCP-5-VEN-23-0037-1 to Partially
Certified 2001 Local Coastal Program for the Venice Dell Community Project

Dear Juliet Oh,

The Commission received a digital request on July 6, 2022 and a hard-copy request on July 8, 2022 for City of Los Angeles to amend the Land Use Plan (LUP) portion of the partially-certified Local Coastal Program (LCP) in order to modify the development standards for 40 parcels of land located within the Coastal Zone. On July 28, 2022, Commission staff determined that the project-specific LUP Amendment Application No. LCP-5-VEN-22-0038-1 was officially complete. On September 8, 2022, the Commission approved a one-year time extension to act on the LUP amendment. On August 23, 2023, Commission staff requested via email that the City withdraw and resubmit the project-specific LUP amendment application to allow resolution of the outstanding information requirements and issues associated with the subject project. The Commission received the City's request to withdraw and resubmit the LUP amendment application via email on August 25, 2023. The resubmittal has been assigned Application No. LCP-5-VEN-23-0037-1.

Commission staff have reviewed the amendment request and determined that additional information is needed in order to address the outstanding issues discussed with City staff that arose after the previous LUP amendment was filed as complete. We look forward to working with the City to expedite review of this amendment request concurrent with the separate, related coastal development permit (CDP) application for the redevelopment of the subject site. However, this project-specific LUP amendment application cannot ensure Chapter 3 Coastal Act consistency without also addressing the issues with the associated CDP application that remain unresolved. The information requested in this letter must be provided to allow the Commission to reasonably judge the amendment's consistency with Coastal Act resource protection policies. Please accept this letter as notification that, to file Application No. LCP-5-VEN-23-0037-1 as a complete application, the following items are needed:

- 1. Public Access.** Section 30210 of the Coastal Act requires the provision of maximum public access and recreational opportunities, as well as protection of public rights to coastal access. The proposed LUP amendment would allow the construction of private commercial and residential development in an existing, City-owned, 196-space public parking lot used for beach access. The proposed LUP amendment does not require preservation of 196 public parking spaces in Subarea A. While the associated Venice

Notice of Incomplete Application
LUP Amendment Application No. LCP-5-VEN-23-0037-1

Dell Mixed-Use Project proposes construction of at least 196 public parking spaces onsite, the project applicants (Venice Community Housing Corporation and Hollywood Community Housing Corporation) for the related CDP Application No. 5-22-0588 have not demonstrated their legal authority to build or operate the proposed public parking garage on the City-owned project site. Furthermore, CDP Nos. 5-91-584/5-92-377-A1 approved a maximum daily parking rate at the subject site of \$11, while CDP No. 5-22-0588 proposes a maximum hourly rate of \$15 at the proposed parking garage. Staff have requested the City of Los Angeles Department of Transportation (LADOT) become a co-applicant for the subject application, or apply for an amendment to CDP Nos. 5-91-584/5-92-377-A1, and the City declined both requests. Additionally, the Development Agreement between the subject project applicants (Venice Community Housing Corporation and Hollywood Community Housing Corporation) and the City required execution of a separate parking agreement by June 2022 for the City to build and operate the public parking garage proposed within the surrounding private development. The parking agreement was not executed. Without evidence that the applicants of the CDP have the legal authority to build and operate the public parking garage, the proposed LUP amendment would potentially allow for the loss of 196 public parking spaces in a manner inconsistent with Chapter 3 public access policies of the Coastal Act. Please provide the parking agreement for the proposed public parking garage as referenced in the development agreement between the project applicants and the City and any additional legal agreements related to this matter. The provision should include, at minimum:

- A. Evidence of the applicants' ability to feasibly provide at least 196 public parking spaces on the project site (via a lift system or additional levels);
 - B. Evidence that the City is in agreement with the public parking plan as proposed, including evidence that the City has agreed to manage and operate the public parking lot.
- 2. Public Boat Launch Ramp Access.** Sections 30213, 30220, 30224, and 30234 of the Coastal Act encourage preservation of existing, and provision of new, public launching facilities for recreational boating use of coastal waters. LUP Policy III.D.2 requires the City to protect public access to the boat launch ramp consistent with the Coastal Act. The proposed LUP amendment would allow a significant scale of mixed-use development in the area surrounding the existing boat launch ramp and associated parking lot but does not require the new development to avoid adverse impacts to public access to the ramp. The related CDP application proposes elimination of the existing public parking lot used to access the public boat launch ramp and relocation of the seven public parking spaces to the proposed public garage. The proposed new boat launch parking spaces would be located further away from the boat launch ramp than the existing parking lot, less readily accessible from the street than the current parking lot, and would offer less unloading space. Thus, the proposal would cumulatively reduce usability of the public boat launch ramp. Furthermore, the City has not consistently operated the public boat launch as required by CDP Nos. 5-91-584 and 5-92-377-A1. On January 31, 2023, Commission staff sent a notice requesting that the City 1) refrain from locking the boat launch parking lot from 8am to sunset and keep the gate open during this time, 2) discontinue any activity that would prevent the public's

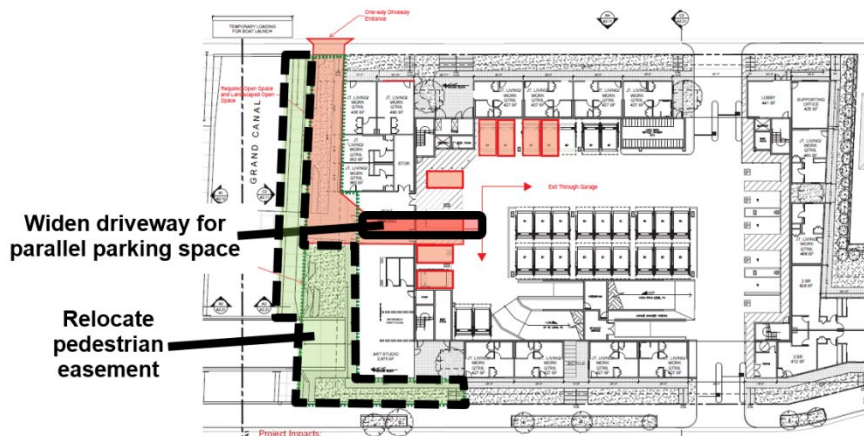
Notice of Incomplete Application
LUP Amendment Application No. LCP-5-VEN-23-0037-1

use of the seven parking spaces at the lot or use of the boat launch, and 3) install signage at the entrance to the lot that clearly identifies the boat launch and associated parking as a public amenity (**Attachment 1**). Commission staff requested the City's action on the first two requests by no later than February 1, 2023 and installation of the public access signage no later than March 1, 2023. Commission staff have been informed subsequent to our January 31, 2023 letter that the boat launch is now open during daylight hours, as required by the above-mentioned coastal permits. However, we have not received confirmation of installation of the required public access signage. Please analyze how the LUP amendment would ensure the associated project's consistency with recreational boating preservation policies of the Coastal Act, including:

A. Please describe how the LUP amendment would require the subject project to preserve direct vehicle access to the public boat launch ramp and associated public parking during construction.

B. Please provide an alternatives analysis revising the applicants' submitted Alternative 4 (**Attachment 2**) to:

- i. Provide one parallel parking space in the area located immediately north of the driveway, as shown in outlined red in the figure below;
- ii. Relocate the pedestrian access easement in Sheet A1.12 of the City-approved Entitlement Plans to the walkway to the left of the driveway, as shown in outlined green in the figure below; and
- iii. Expand the staging/drop-off area for boat launch use to include the full area of the plans currently titled "Boat Launch Staging", as shown in the figure below.



C. Please provide a proposal to mitigate the public access impacts of multiple years of boat launch ramp and parking inaccessibility, which may include such options as expanding the size of the boat launch, improving its amenities, increasing the number of boat launch parking spaces, or other measures to improve public use of the boat launch.

Notice of Incomplete Application
LUP Amendment Application No. LCP-5-VEN-23-0037-1

Thank you for assistance in this matter, and please do not limit your submittal to the above-mentioned items—you may submit any information which you feel may help Commission staff gain a clear understanding of the scope of the proposed LUP amendment. Upon receipt of the requested materials, we will proceed with determining the completeness of your application. Please contact staff with any questions at chloe.seifert@coastal.ca.gov.

Sincerely,



Chloe Seifert
Coastal Program Analyst II

Attachments: Attachment 1 - Notice of Violation, dated January 31, 2023.
 Attachment 2 - Proposed Alternative 4 Plan, received by Commission
 staff on August 2, 2023.

Attachment 1 - Notice of Violation, dated January

STATE OF

CALIFORNIA -- NATURAL RESOURCES AGENCY

GAVIN NEWSOM, Governor

31, 2023.

SOUTH COAST AREA OFFICE
1000 E. Pacific Street, Suite 1000
LONG BEACH, CA 90802-4302
(562) 590-5071

CALIFORNIA COASTAL COMMISSION



SENT VIA EMAIL

January 31, 2023

Gregg Vandergriff
Department of Public Works
Bureau of Engineering
1149 S. Broadway, Suite 700
Los Angeles, CA 90015-2213

Venice Community Housing
c/o Christopher Murray
Rosenheim & Associates, Inc.
21600 Oxnard Street, Suite 630
Woodland Hills, CA 91367

Re: Restricted Access to Public Boat Launch

Dear Mr. Vandergriff and Mr. Murray:

During Commission staff's review of Coastal Development Permit Application No. 5-22-0588, it has come to our attention that the public boat launch located on the northern end of the Grand Canal between North and South Venice Boulevard, which is encompassed within the project site of said application, continues to be consistently closed to the public, in non-compliance with Coastal Development Permit No. 5-91-584, which authorized construction of the boat launch. We want to take this opportunity to clarify the requirements of Coastal Development Permit No. 5-91-584 in order to achieve the immediate reopening of the boat launch to the public and to help contextualize our feedback to Coastal Development Permit Application No. 5-22-0588, as it relates to the boat launch. We look forward to working cooperatively with the City, as well as Venice Community Housing, as explained below, to resolve this matter.

Coastal Permit/LUP Background

On November 14, 1991, the Coastal Commission approved Coastal Development Permit No. 5-91-584, which authorized a City of Los Angeles project to rehabilitate the Venice canals. The City proposed that "[a] boat launching ramp will be constructed on Grand Canal between North and South Venice Boulevard." The Commission found in its approval of the boat launch that the "new public boat launching ramp in Grand Canal will provide public access to the water in the canals. A new seven-space parking area at the boat ramp will provide some parking for people who use the canals (Exhibit #8)." Special Condition No. 3 of the permit requires that the boat launch is adequately signed for public use. It states:

Prior to the issuance of this permit, the City shall submit to the Executive Director, for review and approval, a plan for signs on Venice Boulevard which inform and direct the public of the locations of the Venice Canals Historic District, the public boat ramp, and Venice Canals Walkways. The sign program shall be implemented and maintained by the City.

As you may know, public boat launching ramps provide one of the few opportunities for visitors to experience navigating the Venice canals by boat. The approval of the boat launch in the coastal permit described above was intended to implement the Venice Land Use Plan, which contains policies to preserve the public's enjoyment of boating on the Venice canals. Specifically, Policy III. D. 2. Identifies this location for a public boat launch facility and requires that 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. 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."

This LUP policy reflects sections of the Coastal Act to protect low-cost recreation or boating access, such as:

Section 30213: Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

Section 30220: Coastal areas suited for water-oriented recreational activities that cannot readily be provided at inland water areas shall be protected for such uses.

Section 30224: Increased recreational boating use of coastal waters shall be encouraged, in accordance with this division, by . . . increasing public launching facilities.

Section 30234: Facilities serving the . . . recreational boating industries shall be protected and, where feasible, upgraded. Existing . . . recreational boating harbor space shall not be reduced unless the demand for those facilities no longer exists or adequate substitute space has been provided.

Several years after construction of the boat launch, it came to Commission staff's attention that the City was not operating the boat launch as required. In the findings for Coastal Development Permit No. 5-92-377-A1, the Commission confirmed staff's observations, stating that:

Special Condition Four of the underlying permit, originally approved by the Commission in 1993, required the City to commence construction of the public boat launch prior to the construction of any private residential boat docks. The public boat launch was constructed and opened in 1994. A few years later, the public boat launch was closed. Commission staff has not been able to confirm when the City began locking the gates to the public boat launch, but the gates have been locked during recent visits by staff.

In order to help correct this non-compliance with the boat launch requirement of Coastal Development Permit No. 5-91-584, the Commission included a new condition for the boat launch in Coastal Development Permit No. 5-92-377-A1. Special Condition No. 4 states, in part, that:

Prior to issuance of the permit amendment, and within sixty days of Commission action on the amendment, the City shall submit, for the review and approval of the Executive Director, a City plan for the operation of the public boat launching ramp and parking lot located at the northern end of the Grand Canal. The plan shall include signage and the specific terms for public access and use of the facility. At a minimum, the facility shall be open for public boating and vehicular access (for transportation of boats to and from launch ramp) between the hours of 8 a.m. and sunset on all days. The City shall implement the plan as approved by the Executive Director.

Non-compliance with Coastal Development Permit No. 5-91-584/5-92-377-A1

In 2016, Commission staff again became aware that the City was not making the boat launch available to the public as required by the coastal development permits described herein, and we contacted the City Bureau of Engineering in order to obtain compliance. By email dated September 8, 2016, staff at the City's Environmental Management Group informed us that the Environmental Management Group was working with the Bureau of Street Services to reopen the boat launch to the public. However, street level photographs from January 2017 and December 2017 show the lot locked during daylight hours, in non-compliance with Coastal Development Permit Nos. 5-91-584/5-92-377-A1.

More recently, a submittal with the application for Coastal Development Permit No. 5-22-0588 ("Existing Ramp Conditions" document) describes the status of the boat launch parking ramp, in part, as follows: "The chain link fence has a gate facing North Venice Blvd. and the gate typically remains padlocked. The gate is unlocked/relocked by maintenance crews who are responsible for cleaning the network of Venice canals. The lot currently holds trash bins and service equipment and is also used by the maintenance crews to park vehicles." The document concludes that "[t]he lot currently does not provide the general public with access to the boat launch."

Precluding public access to the boat launch during daylight hours through locking the gate to the parking lot constitutes a violation of Coastal Development Permit Nos. 5-91-584/5-92-377-A1. Furthermore, if the City use of the boat launch parking lot prevents compliance with the conditions of the coastal permits noted above, then that City use must be discontinued or modified to avoid continued violation of the coastal permits. Finally, the boat launch and parking lot are not adequately signed to inform the public of the availability of the boat launch, which constitutes further non-compliance with Coastal Development Permit Nos. 5-91-584/5-92-377-A1. In fact, no signage, let alone adequate signage, is present at the site to inform the public of the availability of the boat launch. Moreover, a sign at the entrance to the boat launch parking lot reads, in part: "Property of City of Los Angeles, No Trespassing, No Parking, No Dumping". This sign is also non-compliant with the requirement of Coastal Development Permit Nos. 5-91-584/5-92-377-A1 to sign the site for public use.

Resolution

In order to quickly bring the site into compliance with the requirements of Coastal Development Permit Nos. 5-91-584/5-92-377-A1, we are requesting that the City 1) refrain from locking the boat launch parking lot from 8am to sunset and keep the gate open during this time, 2) discontinue any activity that would prevent the public's use of the 7 parking spaces at the lot or use of the boat launch,

and 3) install signage at the entrance to the lot that clearly identifies the boat launch as a public amenity. We are happy to review proposed signage to ensure that it meets the requirements of Coastal Development Permit Nos. 5-91-584/5-92-377-A1. Please confirm the City's agreement and conformance with these requests by no later than **February 1, 2023** and install the public access signage by no later than **March 1, 2023**.

Although the steps outlined above would result in compliance with the boat launch requirements of Coastal Development Permit Nos. 5-91-584/5-92-377-A1 going forward, they would not address the Commission's remedies under the Coastal Act for this long-term public access violation resulting from years of non-compliance with the terms of Coastal Development Permit Nos. 5-91-584/5-92-377-A1. However, the coastal development permit process, including Coastal Development Permit Application No. 5-22-0588, may provide an opportunity to effect a comprehensive resolution of this matter. To that end, Commission staff is requesting, as has also been communicated to the applicants via correspondence from our permitting staff, that the applicant for Coastal Development Permit Application No. 5-22-0588 coordinate with the City to include proposals to enhance the public boat launch as part of the proposed project in order to mitigate for the years of diminished access resulting from failure to comply with the requirements of Coastal Development Permit Nos. 5-91-584/5-92-377-A1. Options for enhancement include expanding the size of the boat launch, improving public amenities at the site (such as a public restroom, water fountains, etc.), increasing the number of boat launch parking spaces, and other measures to improve public use of the boat launch.

Thank you for your attention to this letter; we look forward to working with you to resolve this issue collaboratively and to ensure open public access to the boat launch and Venice canals. If you have any questions regarding this letter or the pending enforcement case, please feel free to contact me at Andrew.Willis@Coastal.CA.gov to arrange a time to discuss this matter.

Sincerely,

Andrew Willis
Enforcement Manager

cc: Azeen Khanmalek, City of Los Angeles
Becky Dennison, VCH
Lisa Haage, Chief of Enforcement, CCC
Steve Hudson, Deputy Director, CCC
Chloe Seifert, Coastal Program Analyst, CCC

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
301 E Ocean Blvd
Long Beach, CA 90802-4830
(562) 590-5071



December 1, 2023

Christopher Murray
Rosenheim & Associates, Inc.
21600 Oxnard Street, Suite 630
Woodland Hills, CA 91367

Re: **FIFTH NOTICE OF INCOMPLETE APPLICATION**

Application No. 5-22-0588

Site Addresses: 2102 – 2120 S. Pacific Ave., 2106 – 2116 S. Canal St., 116 – 302 E. N. Venice Blvd., 319 E. S. Venice Blvd., Venice, Los Angeles County, CA 90291

Dear Christopher Murray,

On July 11, 2022, our office received the above referenced coastal development permit (CDP) application. The proposed project includes demolition of an existing public parking lot and quadruplex, consolidation and subdivision of existing lots, and construction of a new mixed-use, affordable housing development in Venice. On August 10, 2022, Commission staff requested additional information and materials. On December 29, 2022, the applicants submitted additional information and materials. On January 26, 2023, Commission staff requested additional information and materials. On April 26, 2023, the applicants submitted additional information and materials. On May 24, 2023, Commission staff requested additional information and materials. On August 2, 2023, the applicants submitted additional information and materials. On August 31, 2023, Commission staff requested additional information and materials. On November 1, 2023, the applicants submitted additional information and materials. Commission staff have reviewed the submittal and determined that additional clarification remains necessary. Please accept this letter as notification that Application No. 5-22-0588 is incomplete pending receipt of the requested information. To complete your application, please submit the following:

1. **Groundwater.** Provide a feasibility analysis of drainage control measures including, but not limited to, an onsite treatment facility, a drainage swale, and increasing the amount of pervious area onsite. **The response letter received by Commission staff on November 1, 2023 does not address the following: Describe why most of the proposed east structure would be located at a lower elevation than the surrounding project area; and clarify the proposed cistern depth below grade.**
2. **Boat Launch Access Plan.** Provide a narrative plan to ensure the public canal parking spaces and public access to the boat launch will not be blocked or otherwise hindered by maintenance activities, whether routine or incidental. **The response letter states that City of Los Angeles approval would be necessary to open the proposed east public parking garage, public boat launch parking spaces, and public boat launch ramp by months 13 or 14 of construction. Provide evidence that the City is amenable to operation of the proposed public garage prior to completion of the proposed west garage (i.e. by months 13 or 14). If the City submits a separate CDP application for a Parking Management Program to build and/or operate the**

proposed parking garage, the timeframe for operation of the public parking garage must be included.

3. **Boat Launch Alternatives Analysis.** Provide an alternatives analysis, including but not limited to, plans showing at least seven public boat launch parking spaces and three loading areas located on the east side of Grand Canal adjacent to the boat launch access ramp. **Provide analysis of the following alternatives:**
 - A. Provide one parallel parking space in the area located immediately north of the driveway, as shown in Attachment 1. **The revised Alternative 4 figure, received by Commission staff on November 1, 2023, relocated one proposed boat launch parking space from the north-facing garage wall to the driveway location, resulting in seven total parking spaces for the boat launch ramp. However, the intent of staff's request was to provide one temporary loading/unloading vehicle space in addition to seven long-term boat launch access parking spaces. Under this design, visitors would enter the driveway adjacent to the canal, park in the parallel space to unload their vessel(s), and then re-park in one of the seven long-term spaces. Upon completion of boating, visitors would leave the parking space, enter the parallel space to load their vessel(s), then exit the parking garage through the general exit. Please revise Alternative 4 to provide seven public boat launch parking spaces in the interior garage (as enumerated in yellow in Attachment 1) and one temporary loading/unloading parallel space in the area located immediately north of the driveway (as shown in blue in Attachment 1).**
 - B. Relocate the pedestrian access easement in Sheet A1.12 of the City-approved Entitlement Plans to the walkway to the left of the driveway, as shown in Attachment 1. **The response letter states that: 1) the applicants do not have the legal authority to propose relocation of the easement to the area directly adjacent to the canals, and 2) the existing ramp between North Venice Boulevard and the pathway does not comply with Americans with Disability Act (ADA) standards. Provide evidence that the City of Los Angeles is amenable to relocation of the pedestrian access easement and redesign of the subject pedestrian ramp for ADA accessibility, if necessary. If the City submits a separate CDP application for a Parking Management Program to build and/or operate the proposed parking garage, relocation of the easement and redesign of the subject pedestrian ramp must be included in the City's proposed scope of work.**
 - C. In addition, the staging/drop-off area for boat launch use (shown in red below) should be expanded to include the full area of the plans currently titled "Boat Launch Staging". **The revised Alternative 4 figure does not expand the staging/drop-off area to include the full area of the plans currently titled "Boat Launch Staging". The submitted revised figure appears to show the parallel space as a long-term vehicle space, rather than a part of the staging/drop-off area. Please revise Alternative 4 to expand the staging/drop-off area to include the temporary parallel space, as shown in yellow in Attachment 1.**

Fifth Notice of Incomplete Application
Application No. 5-22-0588

4. **Lots 701 and 731.** Provide City records of all hourly and daily parking rate increases since 1994. Clarify the project description by A) providing a summary of rate increases since 1994 and evidence that all rate increases were approved via CDPs, CDP amendments, or Commission Executive Director approved exemptions; or B) revising the project description to request after-the-fact approval for an increase in public parking rates. The response letter dated August 2, 2023 states that discussion of current parking rates in Lot 731 should be held between Commission staff and the City. But staff have requested the City of Los Angeles Department of Transportation (LADOT) become a co-applicant for the subject application, or apply for an amendment to Coastal Development Permit Nos. 5-91-584/5-92-377-A1, and the City declined both requests. Additionally, the Development Agreement between the applicants (Venice Community Housing Corporation and Hollywood Community Housing Corporation) and the City required execution of a separate parking agreement by June 2022 for the City to build and operate the public parking garage proposed within the surrounding private development. The parking agreement was not executed. Thus, the applicants do not have the legal authority to build or operate the proposed public parking garage on the City-owned project site. The applicants must demonstrate legal authority to conduct the proposed scope of work. Alternatively, the City could submit a separate CDP application for a Parking Management Program to build and/or operate the proposed parking garage. Provide evidence of the applicant's legal authority or the City's application for the separate CDP. **The response letter states that the City will resolve this item, but Commission staff have not received a letter of co-applicant status or separate CDP application from the City as of today. Provide evidence of the applicant's legal authority or the City's application for the separate CDP application.**

5. **Public Parking Management Plan (PPMP).** Provide a narrative description clarifying how visitors will safely unload their belongings (such as coolers, chairs, and other recreational equipment) in the attendant drop area without creating a vehicle back-up. Provide a diagram showing the location of each drop zone and how vehicles would leave the inner lane to park. **Provide the parking agreement for the proposed public parking garage as referenced in the development agreement between the applicant and the City. The agreement should include, at minimum:**
 - A. Evidence of the applicants' ability to feasibly provide at least 196 public parking spaces on the project site (via a lift system or additional levels); **The response letter states that the City will resolve this item, but Commission staff have not received evidence of the applicants' ability to feasibly provide at least 196 public parking spaces on the project site (via a lift system or additional levels). Provide the subject evidence.**

 - B. Evidence that the City is in agreement with the public parking plan as proposed, including evidence that the City has agreed to manage and operate the public parking lot. **The applicants provided a draft contract requiring the City of Los Angeles Bureau of Engineering to fund construction of the proposed parking garage by a third-party consultant, which has not been signed by any entity. The subject draft contract does not satisfy staff's request for evidence that the City is in agreement with the public parking plan as proposed, including**

Fifth Notice of Incomplete Application
Application No. 5-22-0588

evidence that the City has agreed to manage and operate the public parking lot. Provide the subject evidence.

Please do not limit your submittal to the above mentioned items—you may submit any information which you feel may help Commission staff gain a clear understanding of the scope of your project. Upon receipt of the requested materials, we will proceed with determining the completeness of your application. You can contact me with any questions at chloe.seifert@coastal.ca.gov.

Sincerely,



Chloe Seifert
Coastal Program Analyst II

cc: Ira Brown, City of Los Angeles Planning Department
Duncan Joseph Moore, Latham & Watkins
Beth Gordie, Latham & Watkins
Alicia Robinson, Latham & Watkins
Kailen Malloy, Latham & Watkins
Eric McNevin, Eric Owen Moss Architects

Attachments: Potential Revision to Alternative 4.

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.

CALIFORNIA COASTAL COMMISSION

South Coast District Office
301 E Ocean Blvd., Suite 300
Long Beach, CA 90802
(562) 590-5071



W18a

DATE: May 22, 2025

TO: Commissioners and Interested Persons

FROM: Steve Hudson, Deputy Director
Shannon Vaughn, Coastal Program Manager
Dani Ziff, District Supervisor
Chloe Seifert, Staff Analyst

SUBJECT: Request to extend the time limit for acceptance of the Commission's certification (with suggested modifications) of City of Los Angeles' Venice LUP Amendment Request No. LCP-5-VEN-22-0038-1, for the June 11, 2025 Commission hearing

On December 11, 2024, the Commission approved with suggested modifications the City of Los Angeles Venice Certified Land Use Plan (LUP) Amendment Request No. LCP-5-VEN-23-0038-1. The subject LUP amendment request to re-designate, re-zone, and create a new subarea for 40 lots (2.65 acres) located on the Venice Median in Venice, City of Los Angeles, Los Angeles County. The LUP amendment is intended to enable approval of the Venice Dell Community Housing Project, a 100% affordable housing development with 120 rate-restricted units and commercial land uses.

When the Commission approves an LUP amendment request with suggested modifications, the Commission's Executive Director submits copies of the suggested modifications to the local government. To pursue final certification, the local government (by action of its governing body) must take the following steps: 1) acknowledge receipt of the Commission's resolution of certification, including any terms or modifications; 2) accept and agree to any such terms and modifications; and 3) take the necessary formal actions to satisfy those terms and modifications, such as adoption of a resolution accepting and incorporating the Commission's suggested modifications.

Pursuant to Title 14, California Code of Regulations (CCR) Section 13537(b), the Commission's certification with suggested modifications expires six months from the date of Commission action. Since the Commission acted December 11, 2024, the City of Los Angeles has until June 11, 2025 to complete the steps listed above. Pursuant to Coastal Act Section 30517 and 14 CCR Section 13535(c), the Commission may, for good cause, extend any applicable time limits for up to one year. The subject LUP amendment is project-specific and intended to enable approval of the Venice Dell Community Housing Project (Coastal Development Permit (CDP) Application No. 5-22-

Venice LUP Amendment Request No. LCP-5-VEN-22-0038-1
Time Extension Request for Local Action

0588). Given the amount of public, City, and Commission time and resources that were expended to bring the subject LUP amendment and related CDPs to hearing—and further, given that the City of Los Angeles has not communicated an intent to reject the Commission’s suggested modifications and that the Commission’s action furthers its Environmental Justice Policy—there is good cause to extend the deadline. To provide the local government with more time for formal action, Commission staff recommends the Commission extend the six-month time limit for the City to consider acceptance of the suggested modifications for one year (i.e. to June 11, 2026).

MOTION:

I move that the Commission extend the six-month time limit for one year in order for the City of Los Angeles to consider acceptance of the suggested modifications to Venice LUP Amendment Request No. LCP-5-VEN-22-0038-1 adopted by the Commission on December 11, 2024.

STAFF RECOMMENDATION:

Staff recommends a **YES** vote. An affirmative vote of the majority of the Commissioners present is needed to pass the motion.