

## MOTION

As the City of Los Angeles continues to face a severe housing shortage, one innovative solution to produce more housing has been the identification and development of its large inventory of City-owned sites. The Los Angeles Housing Department, through its Land Development Unit, is responsible for soliciting these sites to developers, but the process for developing City-owned land can require several years, largely due to the complexity of public project development requirements. Further, to increase their chances of securing competitive public financing, developers often propose large, high-yield projects on these sites. Together, these development realities have meant that only the City's largest and most competitive sites have been developed.

However, the City also owns an abundance of "small lots," which are sites that are under one-half acre, with the majority comprising one-quarter acre (10,890 square feet) or less in size. Over a thousand of these small lots are currently vacant, having sat empty for decades while utilizing scarce City funds for maintenance and upkeep, and are already zoned for residential construction. In recent years, multiple pieces of new housing legislation, as well as changes to the Surplus Lands Act, have unlocked these parcels for development.

To demonstrate the housing development potential of these small lots, the City of Los Angeles, via the Mayor's Office of Housing and the Los Angeles Housing Department (LAHD), has partnered with UCLA's cityLAB team on the City's "Small Lots, Big Impacts" Initiative (SLBI). The purpose of SLBI is to use twelve underutilized small lots to build innovative, high-quality, mixed-income homeownership projects with an emphasis on design. If the City shows the way on just a few of its own lots, it can lead a wave of private development too: our data suggest that L.A.'s vacant, privately held small lots could collectively host over 100,000 new units.

The built projects that come out of SLBI will introduce new, gentle density housing typologies into the city's residential neighborhoods, demonstrating that multifamily housing can be blended into these neighborhoods without negative impacts to the existing communities. They will also show that buying a new starter home can once again be an attainable goal in Los Angeles, as our modeling suggests the units will be affordable to those making between 80 and 150% of Area Median Income (AMI). The SLBI projects will be built under their current zoning designations.

Through the SLBI initiative, each of the parcels would be sold at fair market value to selected development teams to develop units for first-time homeownership. To ensure the City receives a permanent benefit from selling its land, the proceeds from the land sales would be used to establish the Small Lots, Big Impacts (SLBI) Fund. The SLBI fund would provide purchase assistance to eligible low- and moderate-income first-time homebuyers on the SLBI initiative's sites. The assistance would mirror LAHD's existing Low Income and Moderate Income Purchase Assistance programs (LIPA and MIPA) in offering deferred-payment, subordinate "soft second" loans to households with an annual median income not exceeding 150%. Buyers who receive soft-second assistance would repay their loan, along with a share of the unit's appreciation, back to the City when they eventually sell, allowing the initial land sale proceeds to be recycled to assist future income-eligible homebuyers citywide. Through this initiative, the City would convert its vacant and underutilized landholdings into a perpetually affordable homeownership resource for current and future residents. Beyond this land sale strategy that generates an affordable homeownership subsidy, the SLBI projects would receive no other City funding.



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Over the past year, the Mayor's Office, LAHD, and the cityLAB team conducted extensive research, worked closely with all relevant city departments, and consulted with all 15 council offices to select 12 sites, spanning 9 council districts, to include in this initiative. These sites have been carefully vetted by city staff, and preliminary studies have been conducted to test the feasibility of development on these sites. The list of sites to be explored for development include:

Site Number	Council District	APN	Address	Area	Zoning
1	CD4	5555032900	1635 Laurel Canyon Blvd, Los Angeles, CA 90046	6,161	R1-1-HCR
2	CD4	5549024901	6941 Camrose Dr, Los Angeles, CA 90068 *	7,700	R2-1XL
3	CD5	5089003901 (Two Lots)	732s Cochran Ave, Los Angeles, CA 90036	13,377	[Q]R4-1
4	CD8	6040013900 6040013901	239W W 86th Pl, Los Angeles, CA 90003	8,640	[Q]C2-1
5	CD9	6006002900	5863 Wall St, Los Angeles, CA 90003	5,143	R3-1-CPIO
6	CD9	5106011900	1630 E 45th St, Los Angeles, CA 90011*	2,506	R2-1
7	CD10	5059004901 (Two Lots)	2444 Crenshaw Blvd, Los Angeles, CA 90016	16,361	C2-1-SP
8	CD12	2004018900	22350 Malden St, Canoga Park, CA 91304 *	19,282	RE11-1
9	CD13	5544002900	1816 Wilton Pl, Los Angeles, CA 90028	7,333	RD1.5-1XL
10	CD14	5306001900	3755 Harriman Ave, Los Angeles, CA 90032 *	7,514	[Q]R1-1D-HCR
11	CD15	7418006900	505 Broad Ave, Wilmington, CA 90744 *	4,723	[Q]C2-1VL-O-CUG U
12	CD15	7454019902	534 W 12th St, San Pedro, CA 90731 *	5,402	RD1.5-1XL-CPIO

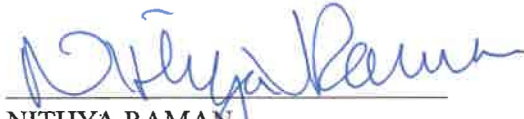
\* Parcels without designated addresses have their estimated addresses listed. The APNs are accurate.

In order to select development partners, the Los Angeles Housing Department will initiate a Request for Qualifications to solicit interested organizations to apply to participate in the SLBI initiative. Development teams would state which site or sites they are interested in developing. LAHD staff would review and score the submitted applications to create a list of qualified development organizations to implement the SLBI initiative. If an organization is unable to develop a site for any reason, LAHD staff will be able to select another qualified organization to develop the site. The proposed projects, as well as the disposition and development agreement terms negotiated with the development teams, would be presented to the City Council for approval before the disposition of any of the City-owned sites.

**I THEREFORE MOVE** that the Council instruct the Los Angeles Housing Department (LAHD) to:

1. AUTHORIZE the LAHD to initiate a Request for Qualifications process whereby development teams can submit applications on behalf of their organizations to allow LAHD staff to evaluate organizations and determine which are qualified to develop the sites being offered.
2. AUTHORIZE the City Controller to establish a new central Revenue Source account named Small Lots, Big Impacts and deposit all proceeds from the sale of the sites into this new account.
3. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.
4. Report back to Council with a list of proposed qualified organizations to develop the sites offered through the Request for Qualifications.

PRESENTED BY:

  
NITHYA RAMAN  
Councilmember, 4th District

SECONDED BY:



ORIGINAL