

PLANNING AND LAND USE MANAGEMENT (PLUM) COMMITTEE REPORT relative to an Ordinance amending the Los Angeles Municipal Code (LAMC) for the implementation of the Mello Act for the Coastal Zone Area located within the Brentwood – Pacific Palisades, Venice, Palms – Mar Vista – Del Rey, Westchester – Playa Del Rey, San Pedro and Wilmington – Harbor City Community Plans.

Recommendations for Council action:

1. REQUEST the City Attorney to prepare and present an Ordinance to add a Code section to the LAMC to implement California Government Code Section 65590-65590.1, also known as the Mello Act, which seeks to preserve and expand the number of affordable dwelling units in the Coastal Zone in the State of California; which replaces the process and project review requirements of existing Interim Administrative Procedures for projects that result in demolition, loss, or conversion of Residential Units and/or the development of new Residential Units in the Coastal Zone, and will establish the Coastal Zone Affordable Housing Trust Fund to allow in lieu fees related to the Mello Act; for the Coastal Zone located within the Brentwood – Pacific Palisades, Venice, Palms – Mar Vista – Del Rey, Westchester – Playa Del Rey, San Pedro and Wilmington – Harbor City Community Plans in the City of Los Angeles; with the following modifications, as detailed in the Department of City Planning (DCP) report, dated October 14, 2021, and communications from the 11th and 15th Council District Offices, dated November 30, 2021, attached to the Council file:
 - a. Modify Section 12.21 H (7) c(i) of the proposed Ordinance, entitled Notice of Public Hearing, to change the 21-day notice period for a public hearing to 24 days.
 - b. Revise the definition of a “Major Remodel” in the draft Ordinance to align with the definition of a “Substantial Remodel” in the California Tenant Protection Act of 2019 (AB-1482).
 - c. Prohibit the off-site location of required Inclusionary Residential Units upon appeal for a New Housing Development, and encourage on-site inclusionary units to the greatest extent feasible.
 - d. Require all Projects to provide the following as part of the Los Angeles Housing (LAHD) Mello Act Assessment, in addition to the proposed analysis outlined in Section H.6 of the draft Ordinance:
 - i. The number of Residential Units which were rented at rates at or below the maximum allowable rent, according to LAHD, for persons or households of Moderate, Low, Very Low, or Extremely Low Income within the past five years.
 - ii. The number of Residential Units subject to a recorded covenant, ordinance, or law that restricts rent to level affordable to persons or households of Moderate, Low, Very Low, or Extremely Low income within the past five years.
 - iii. The number of voluntary buyout agreements, including but not limited to those made under LAMC Section 151.31, offered or entered into the past five years.
 - e. Require an Applicant claiming infeasibility to direct the payment of fees for a consultant to LAHD only.
 - f. Require only LAHD to hire and manage the neutral third party consultant selected to conduct a Feasibility Study.
 - g. Add/Reinstate the option to set-aside of on-site units for Moderate Income Households to Section 5.C.1 (New Housing Development, Inclusionary Residential Units), Page 11 of the proposed Ordinance, as follows:

- i. (d) A minimum of 40 percent of the proposed Residential Units reserved on-site for Moderate Income Households.
 - h. Add to Section H (Mello Act Compliance in the Coastal Zone Area), Section 1(d), (Purpose), Page 1 of the proposed Ordinance, the 'moderate' income category, as follows:
 - i. (d) Require new residential projects of a certain size to provide Inclusionary Units for Extremely Low, Very Low, Low, and Moderate Income persons or households.
2. INSTRUCT the DCP to report back separately describing the methodology for LAHD to determine a project's feasibility of for-sale residential units, while the Ordinance moves forward.

Applicant: City of Los Angeles

Case No. CPC-2019-7393-CA

Environmental No. ENV-2019-7394-ND

Fiscal Impact Statement: The LACPC reports that there is no General Fund impact as administrative costs are recovered through fees.

Community Impact Statement: Yes

For: Wilshire Koreatown Neighborhood Council

For, if Amended: Coastal San Pedro Neighborhood Council

Summary:

At a Special Meeting held on November 30, 2021, the PLUM Committee considered reports from the DCP and a proposed Ordinance amending the LAMC for the implementation of the Mello Act for the Coastal Zone Area located within the Brentwood – Pacific Palisades, Venice, Palms – Mar Vista – Del Rey, Westchester – Playa Del Rey, San Pedro and Wilmington – Harbor City Community Plans. DCP staff presented an overview of the matter, and requested a modification to Section 12.21 H (7) c(i) of the proposed Ordinance, entitled Notice of Public Hearing, to change the 21-day notice period for a public hearing to 24 days. Councilmember Bonin provided comments in support of the Ordinance, and requested modifications to the Ordinance as detailed in the communication dated November 30, 2021, with a separate instruction to the DCP for a report back describing the methodology for LAHD to determine a project's feasibility of for-sale residential units. Councilmember Buscaino's Office submitted the communication dated November 30, 2021 to also request modifications to the Ordinance. After providing an opportunity for public comment, the Committee recommended to request the City Attorney to prepare and present an Ordinance with the modifications detailed in DCP dated October 14, 2021, and communications from the 11th and 15th Council District Offices, dated November 30, 2021; and, to instruct the DCP to report back separately describing the methodology for LAHD to determine a project's feasibility of for-sale residential units, while the Ordinance moves forward. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

PLANNING AND LAND USE MANAGEMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
HARRIS-DAWSON:	YES
CEDILLO:	YES
BLUMENFIELD:	YES
LEE:	YES
RODRIGUEZ:	YES

AXB
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-NOT OFFICIAL UNTIL COUNCIL ACTS-