

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

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November 17, 2008

Ms. Gail Goldberg, Director
Department of City Planning
City of Los Angeles
200 North Spring Street, Room 525
Los Angeles, CA 90012

Dear Ms. Goldberg:

RE: Review of the City of Los Angeles' Adopted Housing Element

Thank you for submitting the City of Los Angeles' housing element adopted on August 13, 2008 and received for review on August 19, 2008. Pursuant to Government Code Section 65585(h), the Department is required to review adopted housing elements and report the findings to the jurisdiction. The review was facilitated by communications with Ms. Jane Blumenfeld, Principal Planner, Ms. Naomi Guth, City Planning Associate, and Ms. Jane Choi, Planning Assistant.

The adopted element addresses the statutory requirements described in the Department's June 2, 2008 review. Therefore, the Department is pleased to find the City of Los Angeles' adopted element in compliance with State housing element law (Article 10.6 of the Government Code). Among other things, the element now includes analyses of extremely low-income households, the City's sites inventory, and strengthens programs to preserve at-risk units.

The Department applauds the City of Los Angeles' successful leadership in addressing housing and community development needs. The adopted element includes an extensive array of programs to promote housing in strategic locations including the Infill Opportunities, Adaptive Reuse, Small Lot Subdivisions and Targeting Growth in Community Plan Areas Programs. Further, the Department commends the City's coordination efforts with the Los Angeles Unified School District to reconfigure school sites and promote affordable housing opportunities. Finally, the City's programs to implement affordable housing strategies on small sites, expand financial resources through the Affordable Housing Trust Fund for new rental development and develop employer-assisted housing programs are particularly noteworthy.

Policy 1.1.3, Program E, generally describes the City's intention to consider adopting a mixed-income ordinance. Please be aware, if the City adopts a mixed-income ordinance, the element should be amended to evaluate the requirement for potential impacts on the cost and supply of housing and ensure the requirement does not act as a constraint on new development. This analysis is particularly important given current market conditions. For example, the evaluation should address whether sufficient regulatory and financial incentives are offered to facilitate compliance with the requirements.

In addition, the City now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Infill Incentive Grant Program, authorized by Proposition 1C, Local Housing Trust Fund and the Building Equity and Growth in Neighborhoods (BEGIN) Program include housing element compliance either as a threshold competitive factor in rating and ranking applications. More specific information about these and other programs is available on the Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hcompl011708.pdf.

The Department wishes the City of Los Angeles success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code Section 65400. If you have any questions or if the Department can provide assistance in implementing the housing and land use strategies, please contact Paul McDougall, of our staff, at (916) 322-7995.

Sincerely,

A handwritten signature in black ink that reads "Cathy E. Creswell". The signature is written in a cursive style with a large, stylized initial "C".

Cathy E. Creswell
Deputy Director