

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



February 13, 2024

Daniel Huynh, Assistant General Manager
Los Angeles Housing Department
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

Dear Daniel Huynh:

RE: Venice Dell Project – Letter of Inquiry

The California Department of Housing and Community Development (HCD) received a technical assistance request regarding the Venice Dell project (Project) located in the City of Los Angeles (City). The Project is identified in the City's 6th Cycle Housing Element Sites Inventory under the pipeline development for public land. It appears the Project is experiencing a delay in processing. The purpose of this letter is to remind the City of its housing element commitments and to inquire about the current status of the Project.

Background

HCD understands that the City issued a request for proposals (RFP) in 2016 to develop affordable housing on two City-owned parking lots located at 200 North Venice Boulevard. Venice Community Housing and Hollywood Community Housing (Applicants) were selected as developers and submitted a project application for a mixed-use project consisting of 140 units including 68 permanent supportive housing units, 34 low-income units, 34 live-work units, 4 manager units, supportive services, and commercial space. The Project also includes the construction of a Los Angeles Department of Transportation (DOT) public on-site parking garage that will provide 196 replacement parking spaces. The Project's parking garage replaces 196 surface parking spaces operated by DOT that are being eliminated to make way for the development. The City's Planning Commission approved the Project entitlements on July 21, 2021.¹

¹ Case Number CPC-2018-7344-GPAJ-VZCJ-HD-SP-SPP-CDP-MEL-SPR-PHP, Letter of Determination, Los Angeles City Planning Commission, July 13, 2021, <https://planning.lacity.gov/pdiscaseinfo/document/OTI3Mw0/1823a02c-5d95-4003-95c4-258347c32f18/pdd>.

On June 15, 2022 the City Council voted to authorize the Los Angeles Housing Department (LAHD) to execute a Development and Disposition Agreement (DDA) with the Applicants for the development of affordable housing on the City-Owned sites.² It is HCD's understanding that the Project is in the process of implementing the terms and conditions of the DDA, which appears to involve multiple departments including LAHD and DOT as well as Coastal Commission review which is primarily overseen by the Department of City Planning (DCP).

Pending Project Items

HCD met with LAHD on November 7, 2023, and DCP on December 27, 2023. Below is a summary of HCD's understanding of the primary pending Project components. HCD requests a current status update for each of these items.

- **Ellis Act Application:** The Project site contains an existing fourplex and HCD understands that the Applicants first prepared and submitted an Ellis Act application to the City in January 2023 with a planned February filing date. It is HCD's understanding that the City has not yet filed the application.
- **Coastal Commission Applications:** Two applications for the Project have been submitted to the Coastal Commission including the City's application to amend the Land Use Plan (LUP) portion of the partially certified Local Coastal Program (LCP) and a Coastal Development Application (CDP). HCD understands that a Notice of Incomplete (NOI) LUP amendment and five NOIs for the CDP have been issued. It appears that one of the main unresolved components that needs to be addressed in the NOI for the CDP is the Coastal Commission's request for DOT to become a co-applicant and more information regarding the operation and management of the existing DOT surface parking lot as well as the proposed replacement parking garage.³ HCD understands that DOT has not yet agreed to become a co-applicant nor submitted updated materials to the Coastal Commission regarding the most recent NOI.
- **DOT Replacement Parking Garage:** In addition to the required Coastal Commission review described above, it appears that the City's DDA clarifies that the replacement parking garage was not included in the residential development agreement or ground lease and will be documented separately through DOT.⁴ HCD understands that the contract for the replacement parking garage has not yet been finalized.
- **Ground Lease:** As part of the disposition of the City-Owned land, the Applicants will need to enter into a ground lease with the City.⁵ HCD understands this process requires a City Council hearing which has not been scheduled at this time.

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

³ Fifth Notice of Incomplete Application, California Coastal Commission.

⁴HCHC and Venice HC DDA, April 27, 2022, page 1, https://clkrep.lacity.org/online/docs/2022/22-0496_rpt_HCI_04-27-22.pdf.

⁵ HCHC and Venice HC DDA, April 27, 2022, page 6, https://clkrep.lacity.org/online/docs/2022/22-0496_rpt_HCI_04-27-22.pdf.

State Housing Element Law (Gov. Code, §§ 65580-65589.11)

Every jurisdiction's housing element is required to include an inventory of adequate sites with sufficient capacity to accommodate its regional housing needs allocation (RHNA) by income category. (Gov. Code, § 65583, subd. (a)(3).) The Project site was identified in the City's 6th Cycle (2021-2029) Housing Element. The Project site is identified in Appendix 4.2 "Pipeline Development Projects on Public Land." The entry in Appendix 4.2 lists the site under "City-Owned and Leased Sites – Affordable & Supportive Housing" and identifies a capacity of 140 units including 136 lower-income units and 4 market-rate units. The current status notes a pending project with an exclusive negotiation agreement (ENA) approved.⁶ The presence of this Project in the City's 6th Cycle Housing Element pipeline project list communicates the City's commitment to see the Project successfully developed. If this Project does not move forward, the City will need to evaluate its site inventory to ensure it has sufficient capacity to accommodate its RHNA.

The City also helps to advance these goals through specific housing programs in its adopted housing element. Program 15 in the City's adopted 6th Cycle Housing Element commits to facilitate the development of affordable housing on public land. This program commits the City to "[i]ncrease the utilization of public land for affordable housing with particular emphasis in high resource and gentrifying areas; [i]dentify publicly owned housing opportunity sites and issue RFPs to develop the sites by 2023; and annually thereafter..." The program's objective also notes that LAHD is "responsible for selecting developers and negotiating disposition development agreements."⁷

Conclusion

HCD requests a response from the City regarding the points addressed herein within 30 days of the date of this letter – by March 14, 2024. HCD looks forward to assisting the City in its compliance with state housing laws and reminds the City that HCD has enforcement authority over State Housing Element Law among other state housing laws. (Gov. Code, § 65585, subd. (j).) Accordingly, HCD may review local government actions and inactions to determine consistency with these laws. If HCD finds that a city's actions do not comply with state law, HCD may notify the California Office of the Attorney General that the local government is in violation of state law. (*Ibid.*)

⁶ Appendix 4.2 Pipeline Development – Public Land, City of Los Angeles, General Plan, Housing Element 2021-2029, [https://planning.lacity.gov/odocument/2f58509a-e8a8-4d15-af22-7b03e3369d93/Appendix_4.2_-_Pipeline_Development_-_Public_Land_\(Adopted\).pdf](https://planning.lacity.gov/odocument/2f58509a-e8a8-4d15-af22-7b03e3369d93/Appendix_4.2_-_Pipeline_Development_-_Public_Land_(Adopted).pdf).

⁷ Chapter 6 Housing Goals, Objectives, Policies, and Programs, City of Los Angeles, General Plan, Housing Element 2021-2029, pages 269-270, [https://planning.lacity.gov/odocument/6fbfbbd0-a273-4bad-a3ad-9a75878c8ce3/Chapter_6_-_Housing_Goals,_Objectives,_Policies,_and_Programs_\(Adopted\).pdf](https://planning.lacity.gov/odocument/6fbfbbd0-a273-4bad-a3ad-9a75878c8ce3/Chapter_6_-_Housing_Goals,_Objectives,_Policies,_and_Programs_(Adopted).pdf).

Daniel Huynh, Assistant General Manager
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If you have questions or need additional information, please contact Deepeeka Dhaliwal, of our staff, at Deepeeka.Dhaliwal@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Shannan West". The signature is written in a cursive, flowing style.

Shannan West
Housing Accountability Unit Chief

cc: Eric Claros, Director of Housing
Juliet Oh, Senior City Planner
Ira Brown, City Planner