



# Mello Act Ordinance

Council File # 15-0129-S1

LOS ANGELES  
CITY PLANNING

PLUM October 19, 2021

## MAIN GOALS

- (1) Comply with State Mello Act
- (2) Preserve ALL existing units
- (3) Replace affordable Units
- (4) Inclusionary housing requirement
- (5) Creation of a Coastal Housing Trust Fund



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# Ordinance Basics

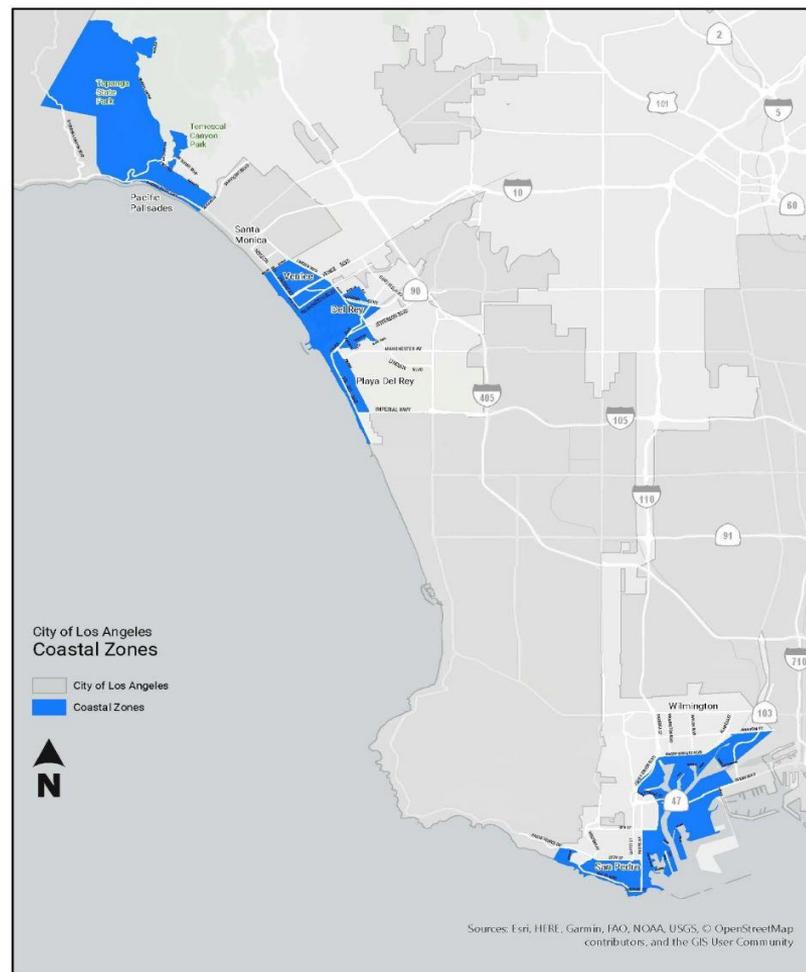
# Proposed Ordinance Basics

- (1) **Where** Does the Ordinance Apply?
- (2) When does this Ordinance Apply?
- (3) What are the regulations for Projects involving **Conversion or Demolitions**?
- (4) What are the regulations for Projects involving **New Construction**?
- (5) What is the **Coastal Housing Trust Fund** and what does it collect?

# Where does the Mello Ordinance Apply?

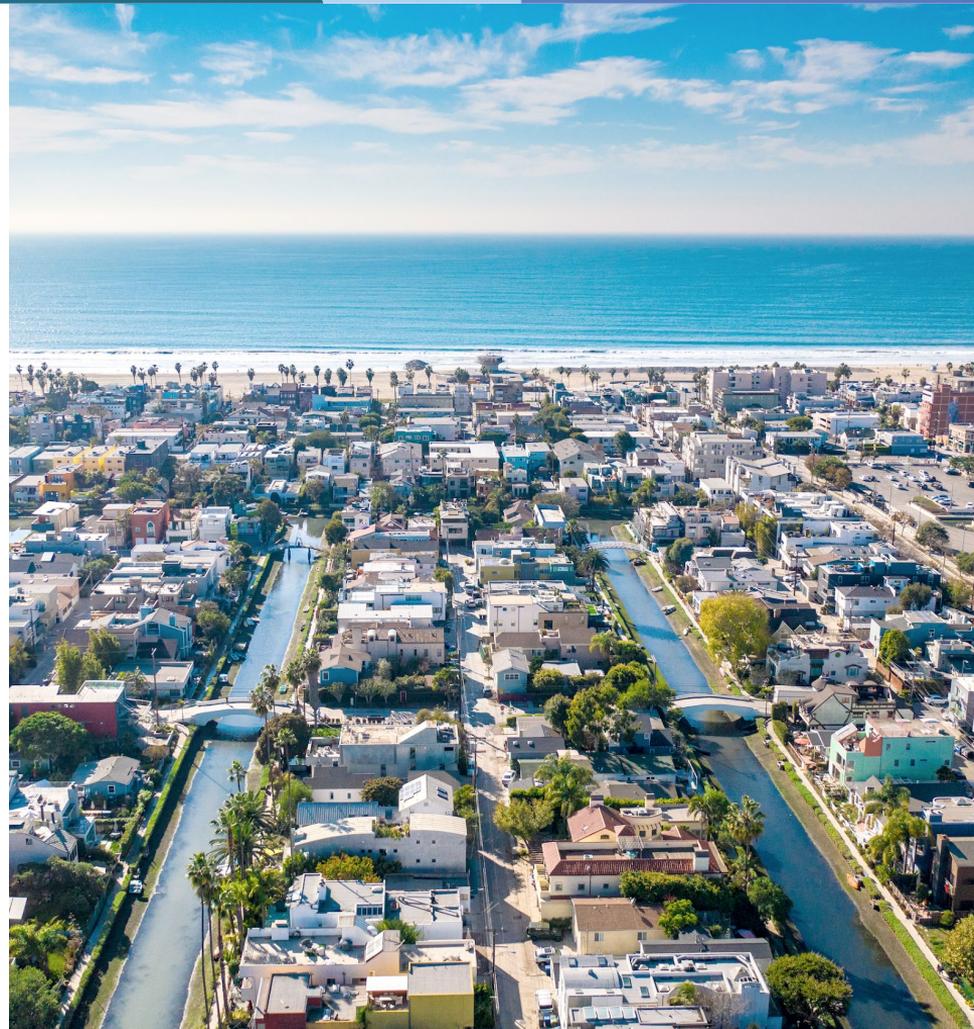
Coastal Zone communities in the City of Los Angeles include:

- Del Rey
- Playa Del Rey
- Pacific Palisades
- San Pedro
- Venice
- Wilmington



# When does the Mello Ordinance Apply?

- What is **Exempt**?
- What is a **“Project”**?
  - Conversions and Demolitions
  - New Developments 5+ units



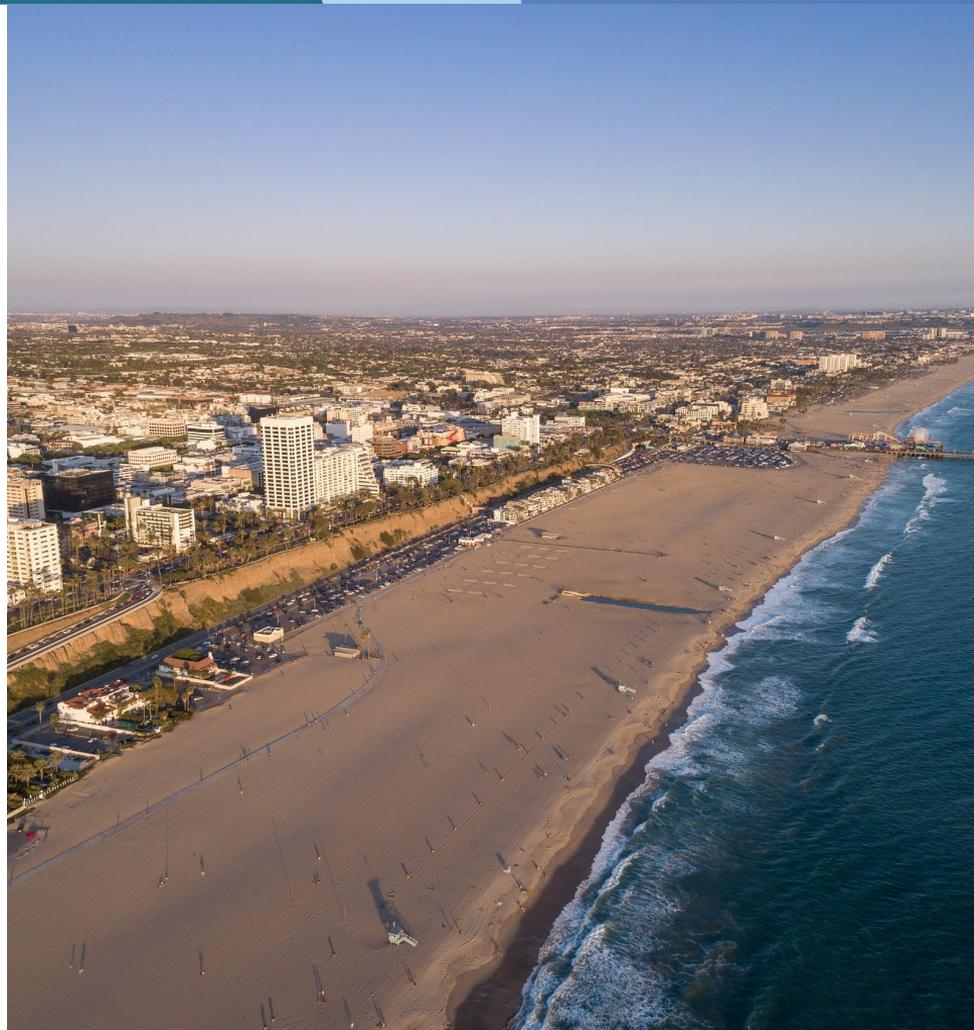
# Regulations for Projects with only Conversion or Demo

- **Affordable Replacement Units**
  - One for one
  - like for like
- **Location of Replacement Units**
- **Feasibility Study and Appeal Options**



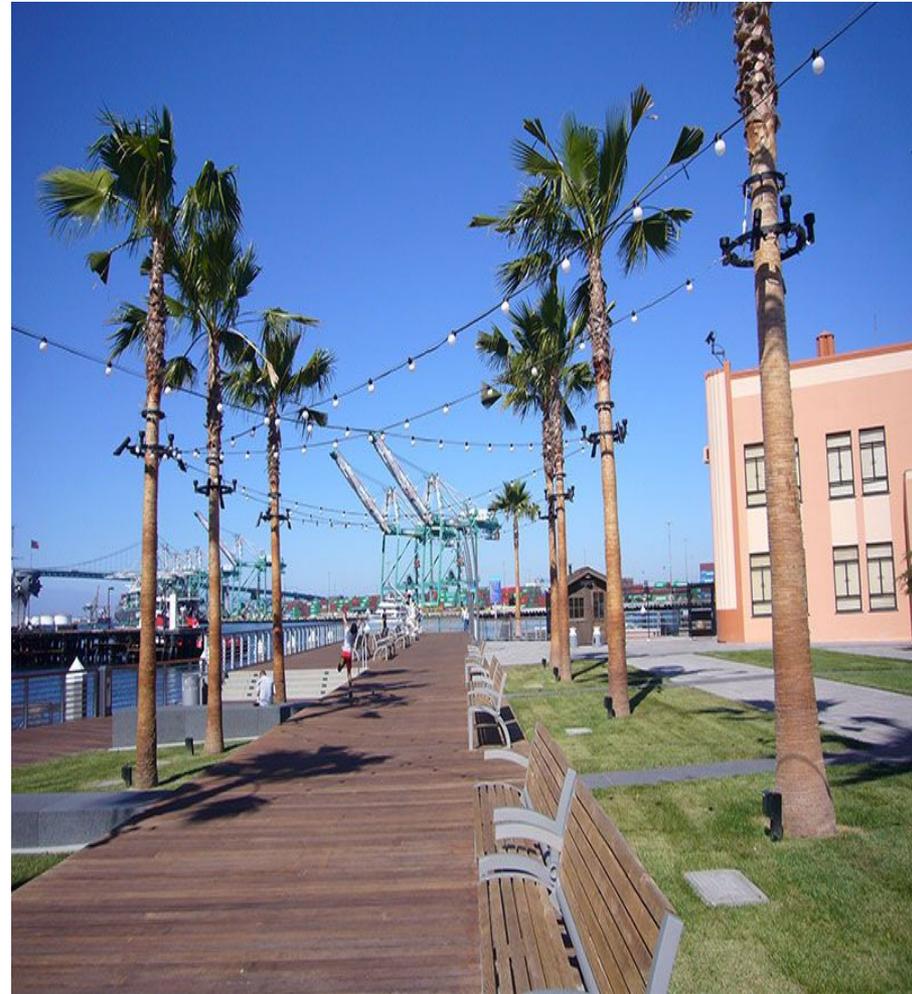
# Regulations for Projects with New Construction

- **Affordable Replacement Units**
  - One for one
  - like for like
- **Location of Replacement Units**
- **Inclusionary Units**
  - 8 % Extremely Low
  - 11% Very Low
  - 20% Low
- **Additional policies**
  - Fractional Inclusionary Fees
  - Feasibility Study



# Coastal Housing Trust Fund

- Fractional Fees
- Affordable Housing Linkage Fee
- No Time limits or expiration
- All monies to be utilized for the creation of new units in the Coastal Zone.



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# Top Key Issues



# Questions about allowing Mixed Use and Mello

Proposed Ordinance - Ordinance 12.21 H 5

(c)(5) (page 14)

**“5. Mixed Use Development.** A proposed mixed-use development may not result in a net reduction in the total number of existing Residential Units unless a residential use is no longer feasible. A mix of uses is permitted, so long as the structure **provides all required Replacement Units onsite and Inclusionary units.**“

Interim Ordinance -

“The conversion or demolition of any ***residential structure*** for purposes of a nonresidential use which is not “coastal dependent”, as defined in Section 30101 of the Public Resources Code, shall not be authorized unless the local government has first determined that a residential use is no longer feasible in that location.”

# Definitions and Demolition

- (1) **Demolition:** The removal or replacement of more than 50 percent to any existing exterior walls, foundation walls or roof framing to one or more existing Residential Units or a project defined as a Major Remodel.
- (2) **Major Remodel :** A project that increases the existing structure by more than 50 percent of existing floor area within a residential structure.
- (3) **Serial Development:** Development that is undertaken by the same applicant on the subject property within a 5-year time period of submission of a previous Mello application, or within contiguous properties within a 5- year time period of submission of a previous Mello application, for which a Mello Act compliance review was required in the past and is presently required in conjunction with a proposed project. This also includes multiple permit requests for one property that, when combined, result in a Demolition as defined in this section.



## Right of First Return consistent with SB 330

- (1) **Tenant Displacement.** Tenants must have been displaced from the demolished or converted Residential Unit that necessitated the Affordable Replacement Unit.
  - (2) **Refusal of Replacement Unit.** Should displaced tenants refuse the Affordable Replacement Unit, it may be made available for rent to a new tenant.
  - (3) **HCIDLA Notification.** HCIDLA will notify impacted tenants of their rights and advise them to provide HCIDLA with income verification and updated contact information.
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# Implementation Guideline

***Mello Act Implementing Guidelines.*** *The Los Angeles Housing and Community Investment Department (HCIDLA) will develop and maintain implementing guidelines for these regulations within 6 months of the effective date of these regulations. The guidelines will be approved by the General Manager of the Los Angeles Housing and Community Investment Department and the Director of the Department of City Planning.*

*Mello Ord. 12.21 H (11)*

- (1) Rental rates by income type
- (2) Notification of Decision via email
- (3) Instructions for Feasibility Study
- (4) Instructions to the Departments regarding the annual report
- (5) Description and examples of how the Fractional Fees work
- (6) Onsite and offsite requirements

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**Proposed Modification -**

**“Notice of Public Hearing”  
From 21 to 24 days**

## Recommended Actions

- **Approve** and **Recommend** that City Council Adopt the Mello Ordinance with the proposed Modification.
- **Approve** and **Recommend** that the City Council **Adopt** the attached Findings.
- **Approve** and **Recommend** that the City Council **Adopt** the Negative Declaration pursuant to CEQA Guidelines Section 10574(b).