

## Fwd: CF 15-0129-S1 - MELLO ORDINANCE - Please Require a Perjury Affidavit from Property Owners, & Criminal Prosecution of Violators

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Tue, Oct 19, 2021 at 6:29 AM

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From: **Margaret Molloy** <mmmolloy@earthlink.net>

Date: Mon, Oct 18, 2021, 2:49 PM

Subject: CF 15-0129-S1 - MELLO ORDINANCE - Please Require a Perjury Affidavit from Property Owners, & Criminal Prosecution of Violators

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Hello City Council members, and all,

**Please fix these systemic problems in the existing Mello Act implementation in the Los Angeles coastal zone that are not addressed in the draft Mello Ordinance.**

### **ISSUE 1 & REMEDY**

Historically, the most common **cheat** on Mello Act compliance determinations have been a single-page owner-occupied exemption that exempts owners who are demolishing a single family dwelling and plan to live in the new single family dwelling from a Mello determination. **Developers** have filed these with impunity in Venice. We can provide many examples. Stealing from our low and moderate income coastal zone housing inventory through **fraud** is not a civil matter.

Currently, the ONLY entity required to file a PERJURY AFFIDAVIT in the ENTIRE City of Los Angeles planning application process is the company that does the required mailing notifications (BTC) for planning hearings. That is unconscionable. **It is a hand-out to developers.** Please fix this immediately in the proposed Mello Ordinance.

To remedy this, please require a PERJURY AFFIDAVIT for the required Mello determination on all City of Los Angeles coastal zone planning applications, with criminal prosecutions for **fraud**. We ask always for one set of laws in Venice and elsewhere. Land is treasury.

### **ISSUE 2 & REMEDY**

Please require proof of a Home Owner Exemption (HOX) for County of Los Angeles Assessor for a Mello Act owner-occupied exemption.

Currently, the Housing & Community Investment Department (HCID) accepts utility bills in an owner's name as proof of residency. That is simply an inadequate proof of the residency and unacceptable. Requiring proof of HOX will remedy much of the misrepresentation/ fraud.

### **ISSUE 3 & REMEDY**

Property owners are required to submit a three-year-look-back at rents rolls for HCID to make a Mello determination of affordability of existing housing, and any replacement affordable housing requirements.

Inexplicably, HCID currently accepts **illegal commercial rents rolls** from property owners who have illegally converted 100% residential housing to 100% commercial use. Why is the **City** facilitating such an abuse of the law?

**This needs to stop immediately. There must be 100% residential rent rolls or a presumption of affordability of all units. The City must incentivize developers to follow the law.**

#### **ISSUE 4 & REMEDY**

Serial violators of conversion of multi-unit Rent Stabilized residential housing in the coastal zone to de facto hotels should be criminally prosecuted. This is not a civil matter.

Some perpetrators of the conversion of multi-unit Rent Stabilized residential housing in the coastal zone to de facto hotels **insist that they have legal grounds for this conversion but pay multi-unit residential property taxes, not hotel property taxes. That is fraud.**

**Please enforce criminal laws.**

#### **ISSUE 5 & REMEDY**

The Settlement Agreement in Venice Town Council v City of Los Angeles (2000) required the Department of City Planning to maintain a Mello database and produce an annual report to account for the loss of units through owner-occupied exemptions, infeasibility determinations, etc, as well as an inventory of new inclusionary units. DCP never created a dedicated Mello database and only produced an annual report from 2000 until 2005. This is unacceptable. There are other egregious issues such as 15years of Mello determinations attached to non-appealable Venice Sign Off (VSO) administrative approvals in violation of Section 8 of the Interim Administrative Procedures (IAP) for Complying with the Mello Act that requires that all Mello determinations are appealable. We have lost a lot of housing diversity in the coastal zone of Los Angeles since 2000 because of these issues.

We need accountability. **Equity is impossible without accountability, and numbers - a dedicated Mello database.** Technology that was not available in those early years is easily accessible now so there is no excuse.

**It also appears that we need a citizen oversight board that can review these outcomes on a regular basis.**

#### **CONCLUSION**

There are critical issues such as the state Mello Act prohibition on conversion of 100% residential to mixed-use; the critical need for feasibility studies that are generated by objective professionals; a presumption of affordability unless documentation provided by owners proves otherwise, etc.. I and many others have addressed these issues in other communications.

**But the issues here are also not addressed in the draft ordinance. Please include these remedies to these particular issues in the proposed Mello Ordinance.**

Appreciatively,

Margaret Molloy