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October 3, 2025

Tiena Johnson Hall, General Manager
Los Angeles Housing Department
City of Los Angeles
1910 Sunset Boulevard, Suite 300
Los Angeles, CA 90026

Dear Tiena Johnson Hall:

RE: City of Los Angeles – Venice Dell Project – Letter of Inquiry

The California Department of Housing and Community Development (HCD) submits this Letter of Inquiry (LOI) to the City of Los Angeles (City) concerning actions taken to significantly delay and effectively deny a City-approved permanent supportive housing project known as Venice Dell (Project). Such actions conflict with the City's adopted 2021-2029 Housing Element and its obligation to affirmatively further fair housing (AFFH).

On September 22, 2025, HCD awarded the Project $42,455,697 from the state's Multifamily Housing Program. This competitive funding award will provide a much-needed low-interest, long-term deferred-payment loan to enable the Project's construction. With significant funding secured, the Project's success depends solely on the City's willingness to allow the Project to proceed.

HCD requests that the City review this correspondence and provide a written response to the inquiries listed below within 30 days, no later than November 2, 2025. HCD will consider the City's written response before taking further action, such as issuing a Corrective Action Letter regarding the City's housing element and initiating a review of the City's Prohousing Designation status.

Background and Timeline

In 2016, the City issued a request for proposals (RFP) to develop affordable housing on a City-owned parking lot (Lot No. 731) located at 200 North Venice Boulevard. The location is a higher resource area, near transit, and surrounded by residential and commercial uses. The City ultimately selected Venice Community Housing and Hollywood Community Housing (Applicants) as developers for the Project. The City's Planning Commission recommended approval on July 21, 2021.[1]

[1] Letter of Determination, Los Angeles City Planning Commission, July 13, 2021,

On December 1, 2021, the City Council approved Project entitlements, including a rezone, and on June 15, 2022, it voted to authorize the Los Angeles Housing Department (LAHD) to execute a Development and Disposition Agreement (DDA) with the Applicants.[2]

On February 13, 2024, HCD issued an LOI to the City concerning delays in further processing the Project.[3] The LOI also served to remind the City of its housing element commitments. On March 13, 2024, City staff responded, listing various factors contributing to the delay, including, but not limited to, revisions requested of the Project's design.

On November 18, 2024, HCD found the housing element in substantial compliance with Housing Element Law.[4] In its findings letter, HCD advised the City to implement programs in the City's housing element to maintain compliance, noting that certain changes, including adding potential constraints or altering programmatic commitments, could constitute an amendment triggering HCD review.

By November 25, 2024, the California Coastal Commission's (CCC) staff report identified the newly revised Project as a mixed-use development consisting of 120 units, including 68 permanent supportive housing units, 49 low-income units, and 3 manager units.[5] The Project also includes the construction of a Los Angeles Department of Transportation (LADOT) on-site parking garage that will provide replacement parking spaces for the public. On December 6, 2024, HCD submitted a Letter of Support (LOS) for the Project to the CCC, emphasizing the City's affordable housing shortage and housing element commitments.[6] The CCC approved the Project with modifications on December 11, 2024 (CCC Hearing).

On December 10, 2024, the City's Board of Transportation Commissioners (BOTC) held a special hearing about the Project, recommending LAHD evaluate the feasibility of relocating the Project from the 2.65-acre Lot No. 731 to a completely different property, Lot No. 701.[7] This additional hearing took place just prior to the CCC Hearing,

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https://planning.lacity.gov/pdiscaseinfo/document/OTI3Mw0/1823a02c-5d95-4003-95c4-258347c32f18/pdd.

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

[3] HCD Letter of Inquiry (February 14, 2024), available at https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/losangeles-venicedell-hau-495-loi-02132024.pdf.

[4] HCD letter regarding City of Los Angeles 6th Cycle (2021-2029) Adopted Housing Element (November 18, 2024), available at https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/los-angeles-he-ta-11182024.pdf.

[5] California Coastal Commission: https://www.coastal.ca.gov/meetings/agenda/#/2024/12.

[6] HCD Letter of Support (December 6, 2024), available at https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/losangeles-venicedell-hau495-los-ccc-12062024.pdf.

[7] See https://ens.lacity.org/ladot/transreports/ladottransreports2425185177_12102024.pdf.

approximately eight years after the City released an RFP to develop the site and over two years after the City authorized the DDA.

On April 9, 2025, the City's Housing and Homeless Committee (HHC) approved the Affordable Housing Managed Pipeline (AHMP) extension list with a request that LAHD report back in 30 days on the selection criteria used to determine eligibility and how this is communicated to applicants. It is HCD's understanding that the City excluded the Project from this list.

On June 11, 2025, the CCC held another hearing for the Project to extend the original six-month deadline in order for the City to accept the CCC-approved modifications to a full year. This additional hearing occurred because of inaction on the City's part. It is HCD's understanding that this step is critical for the Project to proceed. Again, HCD provided a letter to the CCC, noting the extension would provide the City yet another opportunity to follow through on its housing element commitments and AFFH obligations. Without the necessary action by the City to formally accept the CCC's modifications, among other actions within the City's control, the Project cannot be built.

Analysis

1. Housing Element Law

Through Housing Element Law, the Legislature established that "the availability of housing is of vital statewide importance" and "[l]ocal and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community."[8] The City contributes to this effort by adopting and implementing a compliant housing element that includes, among other things, policies and programs, actions to AFFH, and a sites inventory identifying where additional housing is expected.

Housing Element Policies and Programs

Relevant policies in the City's housing element to facilitate the Project include:

> 1.2.5: Streamline the housing approval process, particularly for Affordable Housing, throughout City departments.
>
> 1.2.7: Develop and facilitate the dedication of financial resources for new construction of Affordable Housing.
>
> 1.2.10: Prioritize the development of Affordable Housing on public land.
>
> 1.3.1: Prioritize housing capacity, resources, policies and incentives to include Affordable Housing in residential development, particularly near transit, jobs, and in Higher Opportunity Areas.

[8] Gov. Code, § 65580, subds. (a), (d).

> 5.1.3: Expand permanent supportive housing options with services for homeless persons, particularly chronically homeless individuals and the most vulnerable, to ensure that they remain housed and get the individualized help they may need.

Many of the actions or inactions noted in the timeline above, however, impede the Project. These actions and inactions are inconsistent with these policies.

In addition, in accordance with Housing Element Law, adopted programs "[set] forth a schedule of actions during the planning period, each with a timeline for implementation."[9]

Housing Element Program #15, for example, commits to increasing the utilization of public land for affordable housing with particular emphasis on high resource and gentrifying areas. This program's objective states:

> Increase the utilization of public land for affordable housing with particular emphasis in high resource and gentrifying areas; Identify publicly owned housing opportunity sites and issue RFPs to develop the sites by 2023; and annually thereafter; …Revise the Asset Management Evaluation Framework to add AFFH criteria into the property review and evaluation process.

As a lead agency to Program 15, the City Administrative Officer (CAO) and the City Council are primarily responsible for ensuring that AFFH criteria are added to the review and evaluation process. This framework is used to analyze City-owned, and other publicly and privately owned, property for permanent and interim housing, homeless facilities, economic development, and other uses. The recommendation also included the replacement of the Property Review and Evaluation Process with the Asset Evaluation Framework (AEF) Flow Chart.[10] However, on April 12, 2024, the CAO recommended for approval the revised AEF ***without*** AFFH criteria.

Instead of adding AFFH to the revised AEF criteria, as promised in Program 15, the April 12, 2024 CAO report noted that "[t]he CAO has also added the review and approval from the Board of Transportation Commission (BOTC), as provided by Administrative Code Section 22.484(g)(A)(7), for LADOT parking lots before the site is considered by Council and Mayor." Moreover, projects may be eliminated due to "zoning considerations," as appears to be the case with a residential-zoned property located at 6621 Manchester Avenue and 6614 West 85th Place, also in a high resource area. In other words, the City opted to add an additional layer of review by BOTC and added zoning considerations but did not take the opportunity to add AFFH to the criteria.

The Project is in a higher resource area, near transit, markets, and open space, thereby providing access to needed resources and amenities associated with positive economic, educational, and health outcomes for low-income families.

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[9] Gov. Code, § 65583, subd. (b).
[10] See https://clkrep.lacity.org/onlinedocs/2012/12-1549-S3_rpt_CAO_4-12-24.pdf.

Ignoring AFFH considerations in evaluating potential sites, while considering zoning as a factor to exclude a potential property from consideration, demonstrates a concerning pattern that the City is inconsistent with housing element policies 1.2.5 and 1.2.10. and the stated objectives of Program 15 to AFFH. This recent shift in policy direction not only impacts the Project's development timeline but is likely to impact future affordable housing projects in higher resource areas.

The City's housing element acknowledges the constraint zoning has placed on the development of affordable housing as follows:

> Zoning capacity and its inequitable distribution throughout the City has limited the production of affordable housing in higher resource areas and instead concentrated its production in the areas with the lowest resources (see Map 2.1). Existing land use and zoning, combined with high land values, have resulted in conditions that make it infeasible to develop affordable housing in many areas of the City which have the highest incomes, resources, amenities, and access to economic opportunity.

Despite the Project having obtained zoning approval through the City Council, a DDA, and approval by the CCC, the City scheduled an additional hearing with the BOTC to consider another site for the Project. This defies standard operating procedures and what the City committed to in the housing element.

Housing Element Program #6, "New Production of Affordable Housing through the Affordable Housing Managed Pipeline," has the following objective:

> Prepare annual NOFA biannually, 500 units produced per year, with priority scoring for projects in Higher Opportunity Areas with the goal of funding at least 8% of units in Higher Opportunity Areas and at least 80% of units near transit. Achieving a higher percentage goal depends on federal and state funding regulations. Set-aside of 250 units of supportive housing.

Although the Project is in a "higher opportunity area" and near transit, it no longer appears on the City's list to extend financing commitments.[11] As noted in the timeline, it is HCD's understanding that the City's Housing and Homeless Committee (HHC) acknowledged this confusion at the April 9, 2025, hearing by recommending LAHD report to the City Council in 30 days on the selection criteria used to determine eligibility of projects and extensions to the AHMP Program. The HHC also recommended LAHD report to the Council on how information is communicated to prospective AHMP applicants about the process. It is unclear whether LAHD has taken such action, nor is it clear why the Project was left off the AHMP list in the first place. What is clear is the need to improve communication between the City and project applicants in addition to taking actions consistent with the housing element.

[11] See Report from City Administrative Officer, 04/03/2025, Council File: 22-0876-S4.

Constraints Analysis

Government Code section 65583 requires cities to analyze governmental constraints that hinder the locality from meeting its housing needs, including supportive housing, and sets forth a program of actions that protect and promote such housing. Through the housing element, cities must "remove governmental constraints that hinder…meeting the need for housing for persons with disabilities," which requires "remov[ing] constraints to, and provid[ing] reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities."[12]

Creating new constraints by requiring additional hearings or analysis to prevent an entitled project from moving forward runs counter to taking meaningful actions to address the City's housing needs, especially for persons with disabilities.

Sites Inventory

As the City is aware, every jurisdiction's housing element requires an inventory of adequate sites with sufficient capacity to accommodate its regional housing needs by income category.[13] Projects that have been approved, permitted, or received a certificate of occupancy since the beginning of the Regional Housing Needs Allocation (RHNA) projection period may be credited toward meeting the RHNA allocation based on the affordability and unit count of the development.[14] The housing element describes such "pipeline projects" this way:

> All included development projects are expected to be completed within the 6th cycle, as they represent projects which have a defined development program, a commitment of public funds and/or land, a selected developer and development agreement, and/or have received necessary approval from the appropriate oversight board or council to move forward for development.

The City's housing element identifies the Project in Appendix 4.2 "Pipeline Development Projects on Public Land," under "City-Owned and Leased Sites – Affordable & Supportive Housing," along with 33 other sites. Of the 34 city-owned or leased sites identified in the City's Housing Element, only six are in high resource areas, including the Project. Of those six projects, two have stalled since 2023, including Venice Dell.

Because the Project is a "pipeline project," the City already received credit toward its RHNA based on the Project's affordability and unit count. This credit lowered the City's need and therefore did not require the site-specific analysis typically required in the sites inventory. Furthermore, the Project's inclusion communicates the City's commitment to see the Project successfully developed within the planning period.

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[13] Gov. Code, § 65583, subd. (a)(3).
[14] Gov. Code, § 65583.1, subd. (d).

Inquiries

Based on the background and analysis above, HCD requests the following information:

1. The role of the City's BOTC in the Project and an explanation for why the BOTC held a hearing after the Project was approved.
2. How the City plans to ensure the Project, or an equivalent project, is developed within the 6th cycle planning period.
3. The City's plan and timeline to take the CCC's modifications back to the City Council.
4. An explanation for why the City hasn't added AFFH to its asset evaluation framework and when does it plan to do so.
5. An explanation as to how the City is using zoning as a consideration to eliminate potential development on public land sites.
6. An explanation for why the Project was excluded from the Affordable Housing Managed Pipeline extension list.
7. A description of the City's selection criteria for extensions to the Affordable Housing Management Pipeline program.
8. Whether and how the City is meeting the stated objectives in Program #6 of its housing element for funding 8 percent of units in higher opportunity areas.

2. Prohousing Designation Status

The City received a Prohousing Designation on April 4, 2023, based in part on points for, among other things, "demonstrating other zoning and land use actions that measurably support the acceleration of housing production." In addition, in HCD's announcement letter, HCD reminded the City that AFFH is state law and a threshold requirement for receiving and maintaining Prohousing Designation.

While HCD appreciates the City's efforts to achieve a Prohousing Designation and maintain Prohousing Policies, HCD must regularly monitor Prohousing Designations and, if appropriate, revoke a Prohousing Designation upon determining that, among other things, a jurisdiction "has failed to meet its obligations to Affirmatively Further Fair Housing"[15] or "to comply with state housing law, including, but not limited to, any of the laws specified in Section 6604" of the California Code of Regulations.[16] This includes Housing Element Law.

[15] CCR Title 25, § 6607, subd. (a)(1)(D).
[16] CCR Title 25, § 6607, subd. (a)(1)(E).

Conclusion

On June 29, 2022, HCD found the housing element in compliance with Housing Element Law (Gov. Code, § 65580 et seq). This finding was based on, among other things, actions to AFFH. On November 18, 2024, HCD advised the City to implement programs as committed to in its housing element to maintain compliance. Should the City decide to further delay and effectively deny a "pipeline" supportive housing project, the City may be acting in a manner that is inconsistent with adopted housing element policies and program commitments. Moreover, the City's actions jeopardize more than $42 million in state funding that has already been awarded to the Project.

HCD will review and consider the City's written response before taking any action, including issuance of a Corrective Action Letter regarding the City's housing element and initiating a review of the City's Prohousing Designation status.

Please provide a written response to the inquiries listed in this letter by November 3, 2025. If you have questions or would like to discuss this matter, please contact Lisa Krause at lisa.krause@hcd.ca.gov.

Sincerely,

Melinda Coy
Housing Accountability Unit Chief

cc: Councilmember Traci Park
Councilmember Nithya Raman, Chair of the Housing and Homelessness Committee
Hydee Feldstein Soto, City Attorney
Craig Arceneaux, Assistant General Manager, Los Angeles Housing Department
Elizabeth Selby, Director of Development and Finance, Los Angeles Housing Department
Eric Claros, Director of Housing, Los Angeles Housing Department
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