

CRA/LA, A DESIGNATED LOCAL AUTHORITY  
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

M E M O R A N D U M

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**DATE:** JANUARY 4, 2018

**TO:** GOVERNING BOARD

**FROM:** STEVE VALENZUELA, CHIEF EXECUTIVE OFFICER

**STAFF:** BARRON MCCOY, CHIEF OPERATING OFFICER

**SUBJECT:** **LAND USE APPROVAL – NON-MONETARY ACTION.** Approval of a minor variation to allow residential development on a commercially designated site located at 11436 W. Hatteras Street in the North Hollywood Redevelopment Project Area and authorization to execute an Owner Participation Agreement.

**RECOMMENDATIONS**

That the Governing Board take the following actions:

1. Adopt a resolution certifying that the Governing Board has reviewed and considered the environmental effects of the proposed project as shown in the City of Los Angeles' Mitigated Negative Declaration ENV-2014-2530-MND ("MND"), pursuant to California Environmental Quality Act ("CEQA") Guidelines set forth in California Code of Regulations Section 15096(f) (Attachment C); and
2. Approve a minor variation from the North Hollywood Redevelopment Plan to allow residential on a commercially designated site located at 11436 W. Hatteras Street and allow the construction, maintenance and operation of a residential development of up to thirty-one (31) residential units, including two (2) units with Mobility Accessibility Features and one (1) unit with Hearing/Vision Accessibility Features; and
3. Authorize the Chief Executive Officer, or designee to execute an Owner Participation Agreement (OPA) to effectuate the construction, maintenance and operation of a residential development, as required by the North Hollywood Redevelopment Plan.

**SUMMARY**

NAPA Industries, LLC is requesting that CRA/LA approve a minor variation to allow the construction of up to thirty-one (31) residential units and 1,500 square feet of commercial space on the site located at 11436 W. Hatteras Street (Project) in the North Hollywood Redevelopment Project Area. The proposed Project includes the demolition of two existing single-family dwellings on two contiguous lots; replacing them with a new four-story, 58-foot mixed use (commercial-residential) development. The development would consist of four residential floor levels with up to 31 residential units over a ground floor level containing approximately 1,500 square feet of retail space and a lobby area.

The project will include 1½ subterranean parking floor levels, including a parking level on the street level of approximately 8,500 square feet. A total of 55 on-site parking spaces (including seven guest parking spaces) will be provided for this project (53 for the residential use; 2 for the commercial use). On-site bicycle parking will be provided as required by LAMC with additional bicycle parking provided to reduce onsite parking requirements. All of the residential units will have two bedrooms.

CRA/LA has the discretion under Sections 602.1 of the North Hollywood Redevelopment Plan (Plan) to authorize new housing to be developed with more dwelling units per gross acre than otherwise permitted by Section 602 of the Plan, subject to the Developer entering into an OPA with the CRA/LA and satisfying certain established criteria.

The proposed project would construct up to 31 residential units with up to 1,500 square feet of retail space on a commercially designated site, and therefore requires a minor land use variation from the North Hollywood Redevelopment Plan. Section 604 of the North Hollywood Redevelopment Plan states that, subject to Agency approval of development or participation agreements, the Agency may permit the development of new residential uses within commercial areas.

In consideration of the discretionary action of the minor land use variation, the Successor Agency requested, and the Developer agreed, to incorporate enhanced accessibility features within the project. Specifically, the Developer has agreed to include mobility and sensory units in the development. The proposed number of units having mobility and vision/hearing features was determined based on the proposed number of units. The project will include two (2) units, or 5% with mobility features, and one (1) unit or 2% will include vision/hearing Features.

The City of Los Angeles adopted the Mitigated Negative Declaration (ENV-2014-2530) and authorized various discretionary actions, including a zone change, to allow for the construction of the Project on February 17, 2015.

## **DISCUSSION & BACKGROUND**

### **Location**

The Project Site (Attachment A, Site Map) is approximately 4,082 square feet (0.93) acres) near the southeast intersection of Hatteras Street and the commercial corridor of Lankershim Boulevard, adjacent to an existing alley. Surrounding the Project site are multi-family residential buildings to the north and a mixture of commercial and multi-family to the south, east and west constructed in the 1960s through 1980s.

### **Developer Entity**

NAPA Industries, LLC, is the Developer entity for the proposed project. Currently, NAPA Industries, LLC, is in various stages of development and/or construction of several projects within the Los Angeles area. Other properties include multi-family projects in Culver City and the San Fernando Valley, another project in the NoHo Arts District and two additional multi-family developments in Toluca Lake.

### Description, Project Context and Project History

The Developer proposes to construct one, four-story residential development consisting of up to 31 residential units, including two (2) units with mobility accessibility features and one (1) unit with hearing/vision accessibility features; up to 1,500 square feet of neighborhood commercial space; 55 vehicular parking spaces (53 for residential, 2 for commercial), bicycle parking spaces with battery charging outlets, and substantial open space area.

Each unit has a private balcony and common open/recreational spaces are provided on the second floor courtyard and on the rooftop decks. Residential unit fenestrations are incorporated into the design along with extensive building articulation.

The Project Site is located within close proximity of the NoHo Arts District and the Metro North Hollywood Red and Orange Line Stations serving the San Fernando Valley and Greater Los Angeles Area.

### Basis for Approval

Section 604 of the Plan states that, subject to Agency approval of development or participation agreements, the Agency may permit the development of new residential uses within commercial areas.

The proposed project features modern architecture, is consistent with the North Hollywood Design for Development and exceeds the architectural features of surrounding buildings.

The proposed Project consisting of residential uses and a small amount of neighborhood serving commercial uses would be properly located at this site. The site is near other residential developments (across the street) and near the commercial corridor of Lankershim Boulevard.

In response to the applicant's request, on February 17, 2017, the City Council granted and approved a zone change from the C2-1 (Commercial Zone) to the (T)(Q) RAS4-2) Residential Accessing Zone). The zone change allows the additional height and floor area requested.

CRA/LA staff review of the Project, Mitigated Negative Declaration and submitted plans indicates that the Project meets the required findings of the Plan.

The proposed project will provide attractive multi-family residential uses to help offset the City's housing crisis and also provide neighborhood serving commercial.

### Objective 3

To eliminate and prevent the spread of blight and deterioration and the conservation, rehabilitation, and redevelopment of the Project Area in accordance with the Redevelopment Plan.

The proposed project will replace two vacant, deteriorating single family dwellings with up to 31 attractively built multi-family residential units and 1,500 square feet of neighborhood servicing commercial. The site does not include any structures of historic or architectural significance.

The proposed project has received a zone change from the C2-1 existing zoning to (T)(Q) RAS4-1 to allow the proposed project.

Objective 6

To make provisions for housing as required to satisfy the needs and desires of the various age, income, and disabled groups of the community, maximizing the opportunity for individual choice.

The proposed project will include up to 31 multi-family units. Out of those units, two (2) will have mobility features and one (1) will include vision/hearing features. The proposed project is a sensitive in-fill development that will enable residents to live and potentially work within the Project Area.

Objective 13

To improve the visual environment of the community, and, in particular, to strengthen and enhance its image and identity.

The proposed project will be of high quality architectural design, and will enhance the immediate neighborhood and surrounding area, as well as the North Hollywood Redevelopment Project as a whole. The project will incorporate balconies in each of the residential units. Substantial landscaping, residential unit fenestrations, a rooftop, open space deck and extensive building articulation will be incorporated into the proposed project.

SOURCE OF FUNDS

No funding is required for this action.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

On June 20, 2013, the Governing Board approved a resolution authorizing the transfer of all land use plans and functions of the successor agency to the City of Los Angeles pursuant to Section 34173(i) of the Health and Safety Code. To date, the City has not taken all the necessary steps to formally assume the CRA/LA's land use authority which would effectuate such a transfer. The Department of City Planning has been advised of and concurs with the recommended actions in this memorandum. This action is a land use approval and will not impose a financial obligation on the CRA/LA for purposes of the ROPS.

ENVIRONMENTAL REVIEW

The City of Los Angeles, adopted the Mitigated Negative Declaration (ENV2014-2530-MND) along with the zone change and other various discretionary actions to allow the construction of the Project.

CRA/LA staff will consider discretionary land use approvals such as those recommended in this memo, provided that certain conditions have been met, in addition to those required by the underlying redevelopment plan, including that the City of Los Angeles, as Lead Agency, has taken all necessary actions relating to environmental review and clearances.



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Steve Valenzuela  
Chief Executive Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

ATTACHMENTS

- Attachment A - Site Map
- Attachment B - Project Rendering
- Attachment C - CRA/LA Environmental Resolution
- Attachment D - Land Use OPA
- Attachment E - Accessibility Covenant Agreement



## ATTACHMENT A

### 11436 HATTERAS STREET

Approval of a minor variation to allow residential on a commercial site





## ATTACHMENT B

11436 HATTERAS STREET



CRA/LA, A DESIGNATED LOCAL AUTHORITY  
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

**ATTACHMENT C**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CRA/LA, A DESIGNATED LOCAL AUTHORITY (SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA), CERTIFYING THAT IT HAS REVIEWED AND CONSIDERED THE CITY OF LOS ANGELES' MITIGATED NEGATIVE DECLARATION FOR THE 11436 W. HATTERAS STREET PROJECT IN THE NORTH HOLLYWOOD REDEVELOPMENT PROJECT AREA**

**WHEREAS**, NAPA Industries, LLC, the project applicant proposes to develop a four-story mixed-use development consisting of up to 31 residential dwelling units and 1,500 square feet of ground floor retail with 55 vehicular parking spaces at 11436 W. Hatteras Street ("Project"); and

**WHEREAS**, the City of Los Angeles ("City") was the lead agency under the California Environmental Quality Act ("CEQA") for the Project and prepared a Mitigated Negative Declaration, ENV-2014-2530-MND; ("MND"), for the Project; and

**WHEREAS**, on February 26, 2015, the MND for the Project was adopted and the Project was approved by the City of Los Angeles; and

**NOW, THEREFORE, BE IT RESOLVED** by the CRA/LA a Designated Local Authority (Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, California), as follows:

1. The CRA/LA is a Responsible Agency pursuant to CEQA (Public Resources Code Section 21069, State CEQA Guidelines Section 15381). As a Responsible Agency, the CRA/LA Governing Board considered the environmental effects of the Project as shown in the City of Los Angeles' MND (State CEQA Guidelines Section 15096).
2. The CRA/LA has mitigated the impacts of those parts of the project which it is approving by adopting the Mitigation Monitoring Program prepared and adopted by the City.
3. Based on such review and consideration, the CRA/LA Governing Board hereby determines:
  - a. No Substantial changes are proposed in the Project that will require major revisions to the MND.
  - b. No Substantial changes have occurred with respect to the circumstances under which the Project is being undertaken that will require major revisions to the Addendum of the MND; and
  - c. No new information of substantial importance to the Project, which was not known or could not have been known at the time the Addendum to the MND was prepared, has become available.

ADOPTED: \_\_\_\_\_



## ATTACHMENT D

### LAND USE OWNER PARTICIPATION AGREEMENT

**Development Project:** 11436 W. Hatteras Street Mixed-Use Project  
**Location:** 11436 W. Hatteras Street  
**Redevelopment Project Area:** North Hollywood  
**Assessor Parcel Number:** 2338-024-009  
**Legal Description:** See Attachment "A"

This Land Use Owner Participation Agreement ("OPA") dated as of January 2018 is entered into by and between NAPA Industries, LLC ("Applicant" or "Participant") and CRA/LA, A Designated Local Authority ("CRA/LA" or "Agency") with reference to the property at 11436 W. Hatteras Street ("Property") in the North Hollywood Redevelopment Project Area.

#### RECITALS

- A. Applicant proposes to redevelop the Property through the construction of a four-story mixed-use development of approximately 23,076 square feet and approximately 58 feet in height, consisting of up to 31 residential units, 55 vehicle parking spaces ("Project"). The Project is located within the North Hollywood Redevelopment Project Area ("Project Area") and the North Hollywood-Valley Village Community Plan Area ("Community Plan").
- B. The City of Los Angeles City Council approved the Project incorporating Qualified Conditions of Approval (Q Condition) on February 17, 2015, and had previously adopted a Mitigated Negative Declaration (ENV-2014-2530-MND), approved a zone change and adopted the necessary findings to allow for the construction of operation and maintenance of the Project.
- C. The site is located in a commercially designated area of the North Hollywood Redevelopment Project Area, which only allows residential and mixed-use developments to be constructed when they meet the design and location criteria specific by CRA/LA and are subject to a development or participation agreement with CRA/LA.
- D. In consideration of this discretionary action to allow a mixed-use development in a commercially designated area, the CRA/LA requested and the Applicant agreed to include five percent (5%) of the discretionary units or two (2) units with mobility features and two percent (2%) of the discretionary units or one (1) unit with vision/hearing features. All the residential units of the Project are considered discretionary.
- E. A CRA/LA staff review of the Project and plans submitted was completed. It is staff's determination that the Plan's requirements have been satisfied.
- F. The CRA/LA Governing Board has made the following findings and determinations:

1. The proposed Project conforms to the North Hollywood-Valley Village Community Plan as determined by the City of Los Angeles on the basis of the zone change approved by City Council on February 17, 2015. The City of Los Angeles previously adopted a Mitigated Negative Declaration (ENV-2014-2530-MND).
2. The proposed Project meets the design and location criteria established by Section 604 of the North Hollywood Redevelopment Plan.

NOW, THEREFORE, in consideration for and as a condition of CRA/LA's exercise of its discretionary approval to allow a residential use in a commercially designated area, as defined in Section 604 of the Plan, Participant hereby agrees to comply with the following terms and conditions:

1. Compliance with Criteria – Participant shall develop, maintain and operate the Project in compliance with all applicable ordinances and regulations of the City of Los Angeles as they now exist or as they are amended from time to time.
2. Accessibility Housing Covenant -- Participant shall execute and record against the Project an Accessibility Housing Covenant, substantially in conformance with Attachment C of this OPA, pursuant to which the Participant has agreed to construct and maintain housing units accessible to persons with disabilities
3. Participant Indemnity – Participant shall indemnify, defend (with counsel approved by the CRA/LA) and hold harmless CRA/LA and its appointed and elected officers, Governing Board and Oversight Board, employees, agents, consultants and contractors (collectively, "Indemnitees") from and against any and all liabilities, losses, costs, expenses (including reasonable and actual attorney fees and litigation costs), claims, demands, actions, suits, causes of actions, writs, judicial or administrative proceedings, penalties, fines, orders, judgments and damages (collectively, "Claims") which arise in connection with, relate to, are caused by or alleged to be caused by: (i) approval of this OPA; (ii) performance of this OPA by Participant or any of its contractors or sub-contractors; and/or (iii) rehabilitation, operation, maintenance or management of the Project improvements, whether or not any insurance policies are determined to be applicable to such Claims. Additionally, Participant shall immediately pay upon Indemnitee's demand any amounts owing under this Indemnity. Participant's duty to indemnify includes the duty to defend Indemnitees or, at their choosing, to pay their reasonable and actual defense costs in any court or administrative action or other proceedings brought by any third party arising from the development of the Project on the Property. The Indemnitees may make all reasonable decisions with respect to their representation in any legal proceeding, including but not limited to, selection of their counsel. Notwithstanding the above, Participant's obligations under this Indemnity shall

not apply to Claims solely from the gross negligence or willful misconduct of the Indemnitees.

4. Permitted Transfers – Subject to the CRA/LA's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, Participant may assign this Agreement and its rights and ongoing obligations hereunder, provided that the assignee expressly assumes the ongoing obligations of Participant hereunder, and further provided that Participant may change the operator or operators of the Project's components without notice to or consent of CRA/LA. Upon any such assignment by Participant and assumption by the assignee, or upon Participant's transfer of its interest in the Property, Participant shall be fully relieved from any further liability hereunder. Nothing contained herein shall restrict or limit Participant's rights to transfer its interest in the Property to any other party.

Termination of the Agreement – Participant shall have the right to terminate this Agreement at any time upon at least thirty (30) days prior written notice and/or prior to the commencement of construction of the Project. In the event that Participant terminates the Agreement, the Property shall be restricted to commercial uses only.

SIGNATURE PAGE FOLLOWING

IN WITNESS WHEREOF, the Parties have executed this OPA as of the date written above.

**CRA/LA, A DESIGNATED LOCAL  
AUTHORITY**

**NAPA Industries, LLC**

\_\_\_\_\_  
Steve Valenzuela  
Chief Executive Officer

Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

GOLDFARB & LIPMAN, LLP

By: \_\_\_\_\_  
Thomas Webber  
CRA/LA Legal Counsel



**ATTACHMENT E**

**FORM OF ACCESSIBILITY COVENANT AGREEMENT**

**Between**

**CRA/LA, A Designated Local Authority, Successor to  
Community Redevelopment Agency of the City of Los Angeles**

**and**

**NAPA Industries, LLC**

**relating to**

**(11436 Hatteras Street)**

Dated as of \_\_\_\_\_

## ATTACHMENT E

### **ACCESSIBILITY COVENANT AGREEMENT**

THIS ACCESSIBILITY COVENANT AGREEMENT (“Accessibility Covenant Agreement” or “Agreement”) is made, entered into and dated as of [DATE] by and between the CRA/LA, A Designated Local Authority (“CRA/LA”) and NAPA Industries, LLC (“Owner”).

### **RECITALS**

WHEREAS, Owner is the owner of that certain multifamily rental housing project commonly referred to as 11436 Hatteras Street and located at 11436 Hatteras Street (the “Project”); and

WHEREAS, CRA/LA has granted Owner a discretionary approval to allow the Project to proceed in its configuration; and

WHEREAS, Owner has agreed to comply with the terms and provisions of this Accessibility Covenant Agreement upon the date this Agreement is recorded in the Official Records of the County of Los Angeles (the “Effective Date”); and

WHEREAS, the CRA/LA is subject to Federal and state civil rights laws and regulations, including but not limited to Section 504 of the Rehabilitation Act of 1973, 29 U.S.C §794, and implementing regulations at 24 C.F.R. Part 8 (Section 504); Title II of the Americans with Disabilities Act, 42 U.S.C. §§12131-12134, and implementing regulations at 28 C.F.R. pt. 35 (“ADA”); and the Fair Housing Act of 1968, as amended, 42 U.S.C. §§3601-3620, and implementing regulations at 24 C.F.R. Parts 100, 103, 108, 110, and 121; and Chapter 11A and 11B of the California Building Code; and

WHEREAS, the CRA/LA as a “public entity” within the meaning of Title II regulations, must ensure that its programs, services and activities, comply with the ADA; and

WHEREAS, the CRA/LA has agreed to provide the approval of the Project upon the condition that Owner agrees to enter into this Agreement to comply with the Accessibility Requirements, as defined below.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the CRA/LA and Owner hereby agree as follows:

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## ATTACHMENT E

### **Section 1. Definitions.**

“Accessibility Requirements” refers to the accessibility requirements that must be followed in the design, construction or alteration of the Project or an individual housing Unit of the Project (including common use elements), based on all the applicable laws and regulations, including: (1) Title II of the Americans with Disabilities Act (“ADA”), 42 U.S.C. §12101, et seq. and the implementing standards (“2010 ADA Standards”) at 28 C.F.R. Part 35 and the 2004 ADA Accessibility Guidelines (“ADAAG”); (2) Section 504 of the Rehabilitation Act of 1973 (“Section 504”), 29 U.S.C. §794, the implementing regulations at 24 C.F.R. Part 8, as well as the requirements of the Uniform Federal Accessibility Standards (“UFAS”); (3) the Alternative Accessibility Standard; (4) the Fair Housing Act of 1968, as amended (“FHA”), 42 U.S.C. §§3601-3620; and its implementing regulations at 24 C.F.R. Parts 100, 103, 108, 110, and 121; and (5) the California Building Code, Chapters 11A and 11B.

“Accessible” means when used with respect to a Housing Unit or Housing Development, full compliance with the Accessibility Requirements.

“Accessible Housing Development” means a Housing Development that is Accessible, including Accessible public and common use areas.

“Accessible Housing Units” means, collectively, Housing Units that are on an Accessible Route, are Accessible, and are located in an Accessible Housing Development. The term Accessible Housing Units refers collectively to Housing Units with Mobility Features and Housing Units with Hearing/Vision Features.

“Alternative Accessibility Standard” means and refers to the alternative accessibility standard for new construction set out in a U.S. Department of Housing and Urban Development notice at 79 Fed. Reg. 29,671 (May 23, 2014), when used in conjunction with the new construction requirements of 24 C.F.R. pt. 8, 24 C.F.R. § 8.22, and the new construction requirements of 28 C.F.R. pt. 35, including the 2010 Standards for Accessible Design as defined in 28 C.F.R. § 35.104 and as applied to public entities (excluding any elevator exceptions).

“Fair Housing Policy in Regard to Disability” means the document containing the policy of the City of Los Angeles, as amended periodically, that all City- and CRA-assisted affordable housing developments be constructed and operated in accordance with all applicable disability and fair housing laws and under which the Owner is required to create a Property Management Plan (“Property Management Plan” or “PMP”) as described in Section 4 that must comply with the requirements and guidance in the Fair Housing Policy in Regard to Disability. The PMP must be consistent with the Property Management Plan template of the City of Los Angeles Housing + Community Investment Department (“HCID”) and must be approved by CRA/LA or its designee.

“Housing Development” means the whole of one or more residential structures and appurtenant structures in the Project, including common walkways and parking lots that were or are designed,

## ATTACHMENT E

constructed, altered, operated, administered or financed in whole or in part in connection with the issuance of CRA/LA assistance.

“Housing Unit” means a single unit of residence in the Housing Development that provides spaces for living, bathing, cooking and sleeping.

“Housing Unit with Hearing/Vision Features” means a Housing Unit that complies with 24 C.F.R. §8.22 and all applicable provisions of UFAS or the comparable provisions of the Alternative Accessibility Standard, and shall include but not be limited to section 809.5 of the 2010 Standards for Accessible Design.

“Housing Unit with Mobility Features” means a Housing Unit that is located on an accessible route and complies with the requirements of 24 C.F.R. § 8.22 and all applicable provisions of UFAS or the comparable provisions of the Alternative Accessibility Standard including but not limited to sections 809.2 through 809.4 of the 2010 Standards for Accessible Design.

“UFAS” means the Uniform Federal Accessibility Standards for the design, construction or alteration of buildings and facilities to ensure that they are readily accessible to and usable by individuals with disabilities, 24 C.F.R §40, Appendix A

**Section 2. Requirements of the CRA/LA.** As of the Effective Date, the Owner represents, warrants, covenants and agrees as follows:

- a. Accessible Housing Units. The Housing Development shall be retrofit or constructed in accordance with the Accessibility Requirements to ensure accessibility for persons with disabilities. The following types of Accessible Housing Units shall be prioritized for persons with disabilities who have a disability-related need for the accessibility features of the unit.
  - (i) At least five percent (5%) or two (2) of the total Housing Units in the Housing Development shall be constructed and maintained by the Owner as Housing Units with Mobility Features.
  - (ii) At least two percent (2%) or one (1) of the total Housing Units in the Housing Development shall be constructed and maintained by the Owner as Housing Units with Hearing/Vision Features.
  - (iii) In determining the number of required Accessible Housing Units any fractions of Units shall be rounded up to the next whole number.
  - (iv) The Accessible Housing Units shall, to the maximum extent feasible, be geographically distributed and dispersed in terms of location within the Housing Development, and shall be provided in a range of unit sizes and types.



## ATTACHMENT E

(v) Following reasonable notice to Owner, Owner shall allow the CRA/LA or its agent to conduct annual on-site inspections of the Housing Development and the Housing Units in order to verify compliance with the Accessibility Standards.

b. The Housing Development as a whole and all Housing Units shall meet the requirements of the FHA and California Building Code as defined above.

**Section 3. Occupancy of Accessible Units.** Owner shall use suitable means to assure that information regarding the availability of Accessible Units reaches eligible individuals with disabilities, and will take reasonable, nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of the particular unit. To this end, Owner will take the following steps when an Accessible Unit becomes vacant:

- a. First, Owner will offer the unit to a current occupant of the Housing Development who has requested and needs the features of an Accessible Unit;
- b. Second, Owner will offer the unit to a current occupant of a Housing Development under common control who has requested and needs the features of an Accessible Unit;
- c. Third, Owner will offer the unit to an eligible, qualified applicant on the waiting list for Accessible Units who needs the features of an Accessible Unit;
- d. Fourth, Owner will make reasonable efforts to advertise the unit to qualified individuals who need the accessible features, including listing it as available to individuals who need the accessible features at <http://www.Housing.LACity.org>, distributing the information about the accessible vacancy in accord with the Owner's-approved Property Management Plan, distributing it to the most recent list from HCID of organizations that serve people with disabilities, and sending an e-blast to parties on the Housing.LACity.org website Outreach List. In the event that more than one household has requested an Accessible Unit, Owner will offer the Unit to households in order on the Waiting Lists within each category.

If, after using the process identified above, there are no households who need the features of that Accessible Unit, then Owner may offer the unit to the next household on the conventional unit waiting list. Should that household choose not to occupy the Accessible Unit, it will remain at the same position on the conventional waiting list. If the household chooses to occupy the Accessible Unit, the tenant must sign a Lease Addendum substantially in the form of the Lease Addendum used by HCID, that requires the household to move to the next available, conventional unit of comparable bedroom size and rent obligation, when given legal notice by the Owner that there is an eligible applicant or existing resident with a disability who requires the accessibility features of that Unit.

For individuals who are required to vacate an Accessible Unit because it is needed by an individual with a disability, Owners will pay the costs of transferring tenants to a

## ATTACHMENT E

comparable conventional unit, including new utility deposit(s), if required, and reasonable moving expenses.

**Section 4. Rental Policies.** The Owner shall adopt rental policies that meet the requirements of the ADA, other federal regulations as applicable, and the Fair Housing Policy in Regard to Disability of the City, as amended. A copy of the Policy is available from CRA/LA upon request. To that end, Owner shall adopt rental occupancy policies provided by the CRA/LA. Owner shall develop and utilize a PMP approved by the CRA/LA, which describes affirmative marketing, tenanting, and other procedures to ensure that the Housing Development meets all of the fair housing requirements for individuals with disabilities. Within 90 days of the issuance of CRA/LA assistance, the Housing Development must have a PMP approved by CRA/LA or its designee.

Rental applications will include a section to be filled out by applicants requesting a reasonable accommodation or modification. Unless it is an eligibility requirement for a particular Housing Development, applicants will not be required to disclose a disability under any circumstances unless requesting an accommodation or modification and that disclosure shall pertain only to the accommodation being requested. Outreach efforts to the disability community shall include, but not be limited to, notices and other communications describing the availability of such units, specific information regarding the features of accessible units, eligibility criteria, and application procedures. These, and additional procedures, are incorporated into the HCID Fair Housing Policy in Regards to Disability, dated May 12, 2016, as amended over time.

**Section 5. Residential Rental Property.** The Owner hereby represents, covenants, warrants and agrees as follows:

a. Each of the Accessible Housing Units in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range and oven, a sink and a refrigerator.

Notwithstanding the foregoing, a unit shall not fail to be treated as an Accessible Housing Unit merely because such unit is a single room occupancy unit within the meaning of Section 42(i)(3)(B)(iv) of the Code even though such housing may provide eating, cooking and sanitation facilities on a shared basis.

b. Each of the Accessible Housing Units (which shall not include any manager units) will be available for rental on a continuous basis to members of the general public, and the Owner shall give a preference to the Accessible Housing Units to persons with disabilities as provided herein. The owner will not give any other preference to any particular class or group in renting the Accessible Housing units, except for the following additional preferences that may be applied in conjunction with the preference for persons with disabilities who meet the additional preferences: (1) any dwelling units that are required to be leased or rented to low income tenants and persons sixty-two (62) years of age and older, (2) the requirements of any regulatory agreement executed between the Owner and HUD or between the Owner and a subordinate lender (including the City), (3) the requirements of any Section 8 Housing Assistance Payments Contract with respect to the Project, and (4) any preference Owner gives to a class of persons permitted to be given preference pursuant to the Code, State law and other applicable federal law.

## ATTACHMENT E

**Section 6. Monitoring Requirements.** CRA/LA will monitor, or cause to be monitored, the the compliance of each Housing Development with the requirements of this Agreement. In order to determine compliance with the Accessibility Requirements, Owner shall submit and CRA/LA shall review and approve a certification report for the Housing Development, conducted by an architect other than the one who designed the project, that identifies the necessary and required design elements to make the units and site accessible for individuals with disabilities. CRA/LA shall inspect the construction/rehabilitation to verify production of the correct number of Accessible Housing Units and appropriate site improvements, in compliance with the Accessibility Standards and Section 2 and supported by an independent-consultant's report.

From the date of this Agreement to the end of the Accessibility Covenant Agreement as set forth in Section 7, CRA/LA will utilize the Housing Development's approved Property Management Plan and the Fair Housing Policy in Regards to Disability, to monitor ongoing occupancy compliance of the Accessible Housing Units and nondiscrimination in regards to individuals with disabilities. Compliance with the Accessibility Requirements shall include, but not be limited to, maintenance of accessibility features, target marketing, establishing and monitoring the waiting list specific to the Accessible Housing Units, reasonable accommodations and modifications, a service animal policy, an effective communication policy, a policy for re-leasing empty Accessible Housing Units and all elements contained in the Fair Housing Policy in Regard to Disability, as amended over time.

**Section 7. Term of the Accessibility Covenant Agreement.** This Accessibility Covenant Agreement shall become effective upon the Effective Date and shall terminate Twenty-Five Years following the Effective Date, or at the termination of other affordability or other covenants applying to the Accessible Housing Units, whichever comes later..

**Section 8. Covenant To Run With the Land.** The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Accessibility Covenant Agreement. CRA/LA and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project, provided, however, that on the termination of this Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

**Section 9. Default; Enforcement.** As part of ensuring compliance with the Accessibility Requirements, CRA/LA or its agent, may conduct annual on-site visits inspecting the Housing Development, which inspection may include inspecting the Housing Units and common areas, tenant files, logs and other records. Should the Owner fail to comply with the Accessibility Requirements, the CRA/LA or its agent will first issue an Order to Comply ("Order") stating the element of the Housing Development that is out of compliance, and providing a date by which the Owner must comply. The Order shall give the Owner not more than 30 days to correct the

## ATTACHMENT E

violation, or such additional time as the CRA/LA or its agent may grant if the Owner is taking steps to correct the violation ("Compliance Date"), and diligently pursues such action until the default is corrected, which extension is in the sole discretion of the CRA/LA or its agent. The CRA/LA or its agent may reinspect the Housing Development within 10 days of the Compliance Date specified in the Order or any extension, however failure to inspect or reinspect within that time frame does not remove the obligation of the Owner to comply with the Order. If the Order is issued and the violation continues to exist after the Compliance Date, the CRA/LA or its agent may take any one or more of the following steps:

- a. **Inspection Fee for Non-Compliance.** In the event the Owner fails to comply with the Order within the Compliance Date, the Owner shall be liable for subsequent inspection fees in the amount of \$250 for each hour involved in inspecting the Housing Development until compliance has been achieved. Failure to pay the assessed inspection fee within 30 days of the date of invoice, will result in a late charge equal to two times the fees and a collection fee equal to 50 percent of the original fee shall be imposed if any fee imposed is not paid within 30 days of service of notice of the imposition of the fee. The late fee may be imposed without a hearing but may be appealed to the Chief Executive Officer of the CRA/LA. The appeal shall be made in writing, and shall specify the grounds for the appeal. The appeal shall be filed with CRA/LA within ten calendar days of the issuance of the imposition of the late fees and costs. The Chief Executive Officer or his designee shall issue a decision within ten calendar days of the filing of the appeal. A copy of the decision shall be served on the person or entity subject to the Order or fee by first class United States mail, postage prepaid, or in person. The CRA/LA shall have the right to bring legal action in any court to enforce the Order and collect the amount of outstanding fees and penalties. The CRA/LA may waive the penalty imposed pursuant to this section if CRA/LA determines that good causes exists for the Owner's failure to pay in a timely manner.
- b. By mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the CRA/LA hereunder; and
- c. Have access to and inspect, examine and make copies of all or a portion of the records of the owner pertaining to compliance with all provisions of this Accessibility Covenant, including records relating to the accessibility of the Accessible Housing Units; Certification Reports and underlying documents; the marketing, leasing and occupancy of Accessible Housing Units by people with disabilities who need the accessible features; compliance with the Housing Development's approved Property Management Plan and the Fair Housing Policy in Regards to Disability; tenant waiting lists, applications, records and logs; and the implementation of the Rental Policies described in Section 4 above.
- d. Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

Any other person or entity injured by the Owner's failure to comply with the Accessibility Requirements may bring an action in an appropriate forum to vindicate the rights secured under this Agreement.

**Section 10. Americans with Disabilities Act, the Fair Housing Act, and California Law.** The Owner hereby certifies that it and its property manager and any subcontractor will comply with the Accessibility Requirements. The Owner and any contractor and subcontractor will provide



## ATTACHMENT E

reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services, and activities in accordance with the applicable provisions of the ADA, the ADAAA, Section 504, the UFAS, the FHA, the California Fair Employment and Housing Act, the California Building Code and all subsequent amendments, and all other applicable state and federal fair housing laws. The Owner and any contractor and subcontractor will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any contract and subcontract entered into by the Owner, relating to this Accessibility Covenant Agreement and the Project, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

**Section 11. Governing Law.** This Accessibility Covenant Agreement shall be governed by the laws of the State of California.

**Section 12. Counterparts.** This Accessibility Covenant Agreement may be executed in counterparts, each of which, when the parties hereto have signed the Agreement, shall be one and the same instrument.

**Section 13. Recording and Filing.** The Owner shall cause this Accessibility Covenant Agreement to be recorded and filed in the real property records of the County of Los Angeles and in such other places as the City may reasonably request.

**Section 14. Entire Agreement.** The provisions herein constitute the entire agreement between the parties hereto. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party or anyone acting on behalf of any party, which are not embodied herein. This Accessibility Covenant Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of Los Angeles, California.

IN WITNESS WHEREOF, the CRA/LA and the Owner have executed this Accessibility Covenant Agreement by their duly authorized representatives, all as set forth as of the date below.