



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

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TO: Affordable Housing Developers  
Department of City Planning  
Department of Building & Safety  
Los Angeles Housing & Community Investment Department  
Interested Parties

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SUBJECT: FUNDING FORM PROCEDURES FOR AFFORDABLE HOUSING PROJECTS

## I. INTRODUCTION

To address the shortage of affordable housing in the City of Los Angeles, the Department of City Planning, the Department of Building and Safety (LADBS), the Los Angeles Housing & Community Investment Department (HCIDLA), and other City Departments work together to develop and prioritize affordable housing projects per the Mayor's Executive Directive 131 (ED 13). The City is dedicated to providing development services to streamline the permitting and land use entitlement process for all affordable housing developments. Under the procedures outlined in this memo, the coordinated review of project plans by LADBS, City Planning, and HCIDLA creates a comprehensive and timely conformance review of affordable housing projects. This is an effort to identify potential issues early in the design process, with the goal of avoiding costly "late hits," such as the need to seek approval of discretionary entitlements.

Affordable housing projects are complex in that they have strict deadlines, various funding requirements from different agencies, and are difficult to redesign late in the process. Therefore, applicants are encouraged to utilize pre-design services.

<sup>1</sup> Executive Directive 13: Support for Affordable Housing Development

Depending on the type and development phase of a project, the appropriate City staff may review and sign funding forms. Generally, projects requesting approval of entitlements will have their forms signed by City Planning. Projects considered ministerial will have their funding forms reviewed and signed by LADBS. However, certain funding forms, which by the nature of information required, are only processed by specific departments.

Affordable housing developments may have different minimum thresholds of affordability depending on the City, State, Federal and/or funding program being utilized. Please refer to the applicable program for additional guidance.

**Accompanying Appendix 1 provides flowcharts that will guide all parties with available services and funding form procedures.**

## **II. DUE DILIGENCE SERVICES AND INFORMATION**

### **A. Types of Funding Forms**

As part of the process of securing funding for affordable housing projects, applicants are required to complete various types of funding forms to be reviewed and signed by City staff. Funding forms disclose to potential funders the following: if a project is ready or close to starting construction; the effective date of the approval of discretionary actions; or if a discretionary approval is required for a project.

The California Tax Credit Allocation Committee (TCAC) requires verification of status, including but not limited to the following forms:

- Verification of Zoning and Local Approvals form (Attachment 14)
- Local Development Impact Fees (Attachment 18A)
- Approvals Necessary to Begin Construction, including Article 34 Review (Attachment 26)

Other common funding forms submitted to City agencies include:

- Verification of Zoning and Local Approvals form (Attachment N)
- Local Jurisdiction and NEPA Responsible Entity Verification of Project Readiness form (Attachment 42)
- Project Readiness and Local Zoning Approval form (Attachment 9A)
- Project Readiness and Building Permit Readiness or Issuance form (Attachment 9B)

The agency or agencies responsible for reviewing and signing a project's funding form will depend on whether the project is ministerial or requires approval of a discretionary action, as well as the project's status in the entitlement processing timeline. If the project is ministerial, LADBS will sign the forms, and if the project is discretionary, City Planning will sign the forms.

Regardless of project type, HCIDLA is the City department responsible for administering NEPA review and Article 34 authorization, each requiring that the applicant follow the procedures in Section III below.

## **B. Ministerial vs Discretionary Projects**

A ministerial development project (often referred to as “by-right”) does not require City Planning review or is a project that is in full compliance with the current City of Los Angeles Zoning Code regulations for the site in addition to all policies, plans and/or ordinances that are in effect at the time the project is submitted to LADBS for plan check. In addition, projects utilizing ministerial incentives are considered by-right (for example, a density bonus project utilizing a 35% density bonus and parking reduction, or a TOC project utilizing “base incentives”).

Projects utilizing SB 35, AB 2162, or AB 1197 qualify for a CEQA exemption, however, these project types are still subject to City Planning review and should follow the same procedures for funding forms as discretionary projects. Although these project types are technically ministerial, they are required to comply with objective findings and zoning requirements that are reviewed by City Planning. In addition, projects utilizing the Qualified Permanent Supportive Housing (QPSH) Ordinance and the Community Plan Implementation Overlay (CPIO) Affordable Housing Incentive Program are approved administratively and should follow the same procedures for funding forms as discretionary projects. For QPSH projects, applicants must first complete the preliminary application review (PAR) and then file an administrative case (ADM) with City Planning. Applicants can submit their funding forms for review and sign-off once the administrative case (ADM) has been filed with City Planning. City Planning may sign the funding forms during the required 30-day notification period. Applicants should contact their assigned planner per Section III.B below for further guidance.

A discretionary project is a project that is requesting approval of a land use entitlement to allow a deviation from the current City of Los Angeles Zoning Code regulations, policies, plans and/or ordinances that are in effect at the time of filing with City Planning. Discretionary projects require filing a case with City Planning to request approval for the desired land use entitlement. With some exceptions, the California Environmental Quality Act (CEQA)<sup>2</sup> also applies to discretionary projects. Below is an overview of various types of common discretionary requests.

Discretionary projects requiring CEQA review:

- An affordable housing project located within the boundaries of a Specific Plan, Community Design Overlay, Coastal Area, Greater Downtown Housing Incentive Area, or any other overlay area.
- A Transit Oriented Communities (TOC) project requesting “Additional Incentives.”

<sup>2</sup> [CEQA: the California Environmental Quality Act](#)

- A Density Bonus (DB) project requesting “on-menu” incentives, “off-menu” incentives, and/or a waiver of development standards.
- Housing Development Projects subject to SB 330.
- Site Plan Review (SPR) for projects with 50 or more residential units.
- Legislative actions (such as General Plan Amendments, Zone Changes and Height District Changes) and quasi-judicial decisions from the Zoning Administrator.

### **C. Pre-Design Services**

If a project is not fully-designed but requires general information regarding the City of Los Angeles’ development regulations, the project team may consult with the following resources (please note that at this phase of a project these departments cannot complete and sign funding forms, but are available to answer general questions):

- *LADBS Public Counter* – Answers general questions regarding Zoning Code, Building Code, plan check, permitting and inspection procedures.
  - Zoning Information Letters provide the current zone information for a property and may be requested through the LADBS website.
  - Zoning Determination Letters can be requested at any LADBS office that provide site specific requirements such as: allowed use; maximum height; allowable area; required yards, etc.
- *City Planning Public Counter* – Answers general questions regarding application procedures for various land use entitlements for affordable housing projects. Examples include: Density Bonus, Transit Oriented Communities, and Measure JJJ projects.
- *HCIDLA* – Answers general questions regarding affordable housing replacement, covenants, funding sources, National Environmental Protection Act (NEPA)<sup>3</sup>, and Article 34<sup>4</sup> authorization.
- *Bureau of Engineering Public Counter* – Answers questions regarding street dedications and public improvements.
- *Development Services Case Management* - Provides project navigation for projects that require special assistance and problem solving through pre-consultation, feasibility studies, and pre-development meetings. Preliminary Plan Check Services can be requested for a fee.

**Flowchart 1 (in Appendix 1) provides a synopsis of available City Services.**

<sup>3</sup> [National Environmental Protection Act \(NEPA\)](#): NEPA is triggered when federal funds, including project-based vouchers are used in a project.

<sup>4</sup> Article 34: In the 1980s, the City went to the voters to request blanket authority for Article 34, which was approved. Authority is distributed by HCIDLA. Article 34 requires HCIDLA to provide Article 34 authority to housing projects with regulatory restrictions on more than 49% of the units. If a project has regulatory restrictions on 49% or less of the units, the project is exempt from Article 34. In addition, a project that is rehabbing existing affordable units does not require Article 34 authority for the existing units – although, if additional units will be added, only those units would require Article 34 authority.

### **III. AFFORDABLE HOUSING PROJECT REVIEW PROCESSES AND FUNDING FORM RESPONSIBILITIES**

For designed projects, multiple options are offered to accommodate the applicant's schedule and housing type, see the following:

#### **A. Ministerial Projects: LADBS Process**

**All ministerial and discretionary projects shall be submitted to the Affordable Housing Section in LADBS to verify compliance with city codes, policies and ordinances.**

##### **1. Complete Submittal**

Projects that have completed their building design can submit their plans to LADBS' Affordable Housing Section. Complete architectural, civil and structural plans and calculations are required at the time of submittal.

The LADBS plan check engineer can sign the funding forms after the plan review is complete and it is determined that the project is by-right. However, if the project is subject to a discretionary process or is ministerial requiring LACP review (as described in Section II B, paragraph 2), please refer to the City Planning process below.

##### **2. Zoning Only Review or Parallel Design Permitting Process**

If a project is not fully designed, applicants can submit zoning only plans or complete architectural plans to LADBS' Affordable Housing Section under the Housing Streamlined Approval Process (HSAP). The minimum requirement would be that the architectural plans are sufficient to show compliance with the zoning code.

The LADBS plan check engineer can sign the funding forms after the zoning only plan review is complete and it is determined that the project is by-right. However, if the project is subject to a discretionary process or is ministerial requiring LACP review (as described in Section II B, paragraph 2), please refer to the City Planning process below.

##### **3. How to Submit a Funding Form Request**

Plans and funding forms shall be submitted to LADBS' Affordable Housing Section with plan requirements as described in Section IIIA-1 or IIIA-2. Fees will be assessed based on a full plan submittal or a zoning only submittal. The minimum processing time is 15 business days for plan review. Applicants should take into consideration this processing time and additional time to correct plans and verify corrections with the plan check engineer ahead of their funding form deadline. The assigned plan check engineer will review and sign the forms once the plan review

process is complete and it is determined that the project is by-right. Affordable housing developers may need to submit multiple funding applications and therefore will need multiple forms signed at different times. If the project hasn't changed, then the developer just needs to contact the plan check engineer regarding additional funding forms.

To initiate any of the above LADBS processes, email a request to [ladbs.ahs@lacity.org](mailto:ladbs.ahs@lacity.org) or visit <https://ladbs.org/services/special-assistance/affordable-housing>.

## **B. Discretionary Projects: City Planning Process**

### **1. Pre-Application Phase – City Planning Housing Services Unit**

During the pre-development phase, an applicant will submit the appropriate City Planning referral form to be reviewed by a staff member from the City Planning Housing Services Unit at the Development Services Center (DSC). Various types of referral forms are available for affordable housing projects; including the Affordable Housing Referral Form (AHRF) for the Density Bonus program, or Tier Verifications and Transit Oriented Communities Referral Form for the Transit Oriented Communities (TOC) program. Projects utilizing SB 35, AB 2162, or the Permanent Supportive Housing Ordinance should also complete the applicable referral form.

**Funding forms will not be reviewed or signed during this phase.**

### **2. Application/ Entitlements in Progress and Determination Phase**

The assigned Project Planner reviews the project to ensure the request is accurate and complete. The planner also conducts an environmental review to comply with the California Environmental Quality Act, conducts any required hearings and presents recommendations, and lastly, issues the Letter of Determination.

**The Project Planner assigned to the project can review and sign funding forms while the project is still in process. A disclosure indicating that a letter of determination has not yet been issued may be required.**

### **3. Post-Determination Phase**

A Letter of Determination has been issued and the approval is effective (no appeals have been filed or appeals have been resolved).

**A Housing Services Unit Planner can review and sign funding forms.**

#### 4. How to Submit a Funding Form Request

Funding forms for discretionary projects requested during the entitlement phase shall be submitted directly to the assigned project planner to be reviewed and signed. Processing time is a minimum of 10 business days.

Funding forms for discretionary projects during the post-determination phase shall be submitted to the Development Services Center (DSC) - Housing Services Unit to [dccphp@lacity.org](mailto:dccphp@lacity.org) to be reviewed and signed. Processing time is a minimum of 10 business days. Therefore, applicants are encouraged to submit their request with ample time, especially when strict deadlines must be met.

### **C. Ministerial and Discretionary Projects: HCIDLA Process**

#### 1. NEPA forms have three review scenarios including:

- a) Projects Not Receiving Federal Assistance: If no project-based vouchers or federal funding is used to finance the project (to be verified by HCIDLA), the form will be signed as "NEPA Is Not Applicable".
- b) Projects with City Awards of Federal Assistance: Investments from Community Development Block Grants, the HOME Investment Partnership Program, the Emergency Solutions Grants Program, and the Housing Opportunities for Persons with AIDS Program are reviewed by HCIDLA. Funding forms and project information may be submitted directly to the project's assigned HCIDLA Financial Development Officer (FDO) along with a request to initiate NEPA review. Please note not every aforementioned federal source will be assigned an FDO, in such case a unit staff will be assigned and sign-off the funding form. For these City-based awards of federal funding, there is no fee charged by HCIDLA to complete the NEPA review, as it is part of the cost of using HCIDLA's Federal monies.
- c) Projects with HACLA Awards of Federal Assistance: Funding forms for projects with Housing Authority of the City of Los Angeles' (HACLA) award of Section 8 Project-Based Vouchers (PBV) are to be submitted directly to the HACLA Section 8 Administrator along with a request to obtain more information on the documentation required to initiate NEPA review with HCIDLA. Upon initiation, HCIDLA will generate an invoice billable to the project for services rendered on behalf of HACLA. Fees must be paid in full and all documentation submitted before NEPA can commence.

#### 2. Article 34 Review:

Funding forms that require Article 34 review and signature (projects involving housing with restricted units) shall submit the funding form request to the Article 34 email address. Once a request is made by an applicant, HCIDLA will respond with the required materials to be submitted.

### 3. How to Submit a Funding Form Request

Funding forms that require NEPA status verification shall be submitted to [hcidla.nepa@lacity.org](mailto:hcidla.nepa@lacity.org) or directly to the assigned HCIDLA Financial Development Officer (FDO) and/or HACLA Section 8 Administrator. The estimated NEPA review time is three weeks (for projects that are not seeking federal assistance) to 90 days (for projects that contain a complex scope of work or environmental conditions). The 90-day timeline assumes completeness of all submitted documents with full fee payment, and the volume of total requests. Timely submission of project documentation and the payment of fees are required before the NEPA environmental review can commence. Submit the funding form by completing the portion of the form that includes project/entity information and to include funding amounts, and sources in the request, as shown below:

- Total Project Cost
- Funding amount & sources
- List ALL sources of funding individually, including public and private funds

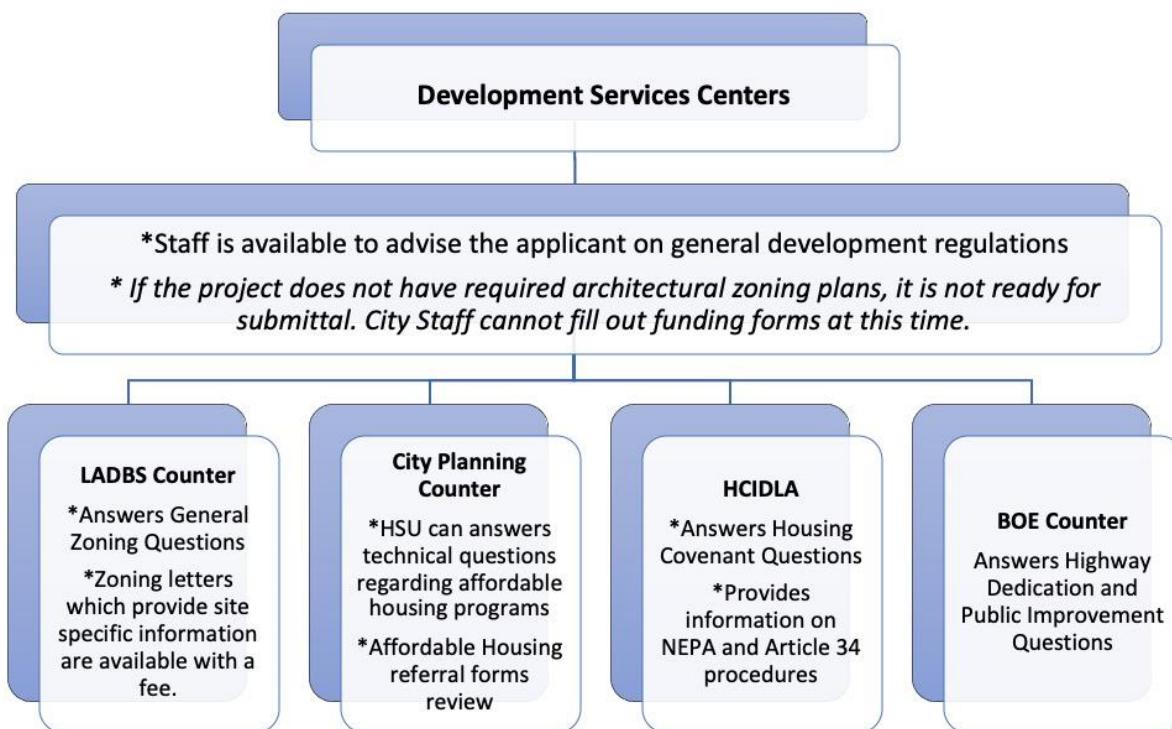
A developer proposing to construct or rehab affordable housing in the City (i.e. housing with regulatory restrictions) must follow the instructions set forth by an Article 34 request. Depending on the volume of total requests, Article 34 letters may take up to three weeks to process. For submittal request requirements and questions regarding Article 34 requests, please contact [hcidla.article34@lacity.org](mailto:hcidla.article34@lacity.org)

### 4. Affordable housing projects (Ministerial or Discretionary) utilizing Density Bonus, TOC, AB 2162 and AB 1197 are subject to AB 2556/SB 330 housing replacements and would require a land use covenant. Application and other forms can be found on the HCIDLA [website](#).

## Appendix 1: Affordable Housing Services and Funding Form Procedures

**LEGEND:** \*BOE-Bureau of Engineering \*CEQA-California Environmental Quality ACT \*DCP-Department of City Planning \*HCID-Housing &Community Investment Department \*HSU-Housing Services Unit \**Italics*-Funding Form Protocols \*LADBS-Department of Building and Safety \*NEPA-National Environmental Protection Act

**Flowchart 1: Pre-design Services**



## Flowchart 2: Designed Project Review

