

Executive Directive 1

Incentives for 100% Affordable Housing

Version 3 (July, 2024)

Building a Better Westchester Playa

- **Better Tenant Protections & Historical Preservation**
- **Safety & Environmental Considerations**
 - High fire risk areas limits
 - Industrial sites = more rigorous assessment
- **Design & Aesthetic Improvements**
 - Improve façade design, open space, landscaping reqs
 - All above-ground parking to be screened from view
 - Building entrances on street front
- **Geographic Equity & Distribution**
 - Importance of geographic equity = promoting distribution throughout LA
- **Approvals**
 - No public review or input process.
 - Day 1: application filing
 - Day 30: Planning provides amendment or revision instructions
 - Day 60: project approval
 - 5 Days until building permits issued
- **Closed ADU Loophole**
 - Stops developers from adding large amounts of space for market-rate multi-family ADUs in same project.
 - Now: any adaptive reuse or ADU additions covenanted as affordable too.
- **Specific Provisions**
 - Exempt from certain discretionary review processes as long as zoning and environmental standards are met.
- **Density Incentives & Bonuses**
 - Limitations on the “ask” for reductions in open space, height limits, setbacks, etc
 - New “Priority Occupancy Process” for affordable-unit tenants displaced by other development projects.
- **Administration Enhancements**
 - “Public Dashboard” required
 - Streamlined approval with days counted.
 - Prioritizes compliance with state and federal law to maximize funding for temporary and affordable housing.

Number of Persons in Household:		1	2	3	4	5	6	7	8	
Los Angeles County Area Median Income: \$98,200	Acutely Low	10350	11800	13300	14750	15950	17100	18300	19450	
	Extremely Low	29150	33300	37450	41600	44950	48300	51600	54950	
	Very Low Income	48550	55450	62400	69350	74900	80450	86000	91550	
	Low Income	77700	88800	99900	110950	119850	128750	137600	146500	75%
	Median Income	68750	78550	88400	98200	106050	113900	121750	129600	
	Moderate Income	82500	94300	106050	117850	127300	136700	146150	155550	17%

Los Angeles County income limits for 2024

ED1

California Department of Housing and Community
Development



Executive Directive 1 Outcomes (up to 7/1/24)

ATC Insights - Dec. 2022 to July 1, 2024



ED1 Project Breakdown

In December 2022, the LA Mayor's Office introduced Executive Directive 1 (ED1) to fast-track entitlements and permitting for 100% affordable housing projects. ED1 aims to have projects approved in under 60 days.

What has ED 1 accomplished?

Record number of units proposed

23,121

323

Final applications for Admin. Review

52%

Approved

Big leap in #s

Faster approval timelines, but still longer than promised

96 days

Median days to approval

29%

Share of applications approved on same day

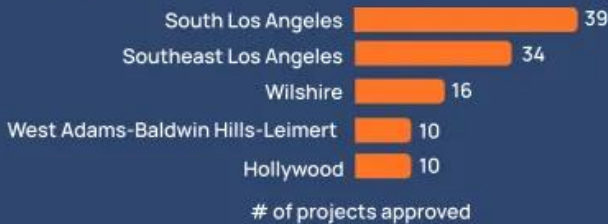
36%

Share of applications approved within 60 days of filed date

Slower than 60

Where is ED1 housing being approved?

Top 5 Community Plan Areas



49%

Share of approved ED1 projects located in Southeast and South LA**

Not the Westside

*As of July 1, 2024. Based on public biweekly case reports from Los Angeles City Planning. Numbers may differ based on document status and accuracy. **Includes South LA, Southeast LA and West Adams-Baldwin Hills-Leimert Park CPAs

Learn more at www.atcresearch.co



Executive Directive 1 Outcomes (up to 7/1/24)

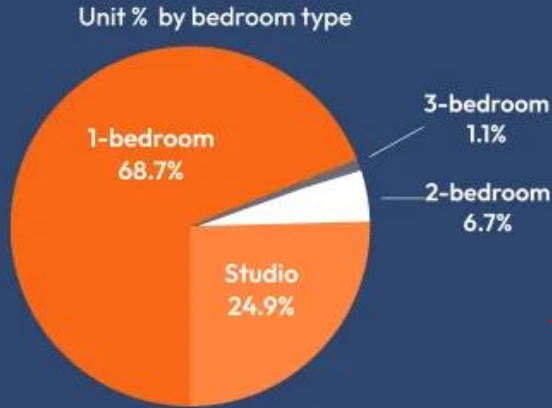
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ATC Insights - Dec. 2022 to July 1, 2024



92.2% of proposed ED1 units are studios & 1 bedrooms

A LA City Council Motion is looking at ways to spur development of more family-oriented rentals. ED1 applications include a small percentage of 2-3 bedroom units.



Not Families

93% of units are designated for Low or Moderate Income Households

Under ED1, 100% affordable is defined as a project with 5+ units where: all units are at 80% of Area Median Income (AMI) or lower (HUD rent levels); OR units are mixed-income, with up to 20% of units at 120% AMI (HCD rent levels), but a balance at 80% or lower. The 2023 AMI for LA County is \$98,200.*



Higher brackets

(of project plans that include affordability levels, n=18,818. Does not include market rate Manager Units (1,54))

28% w/parking

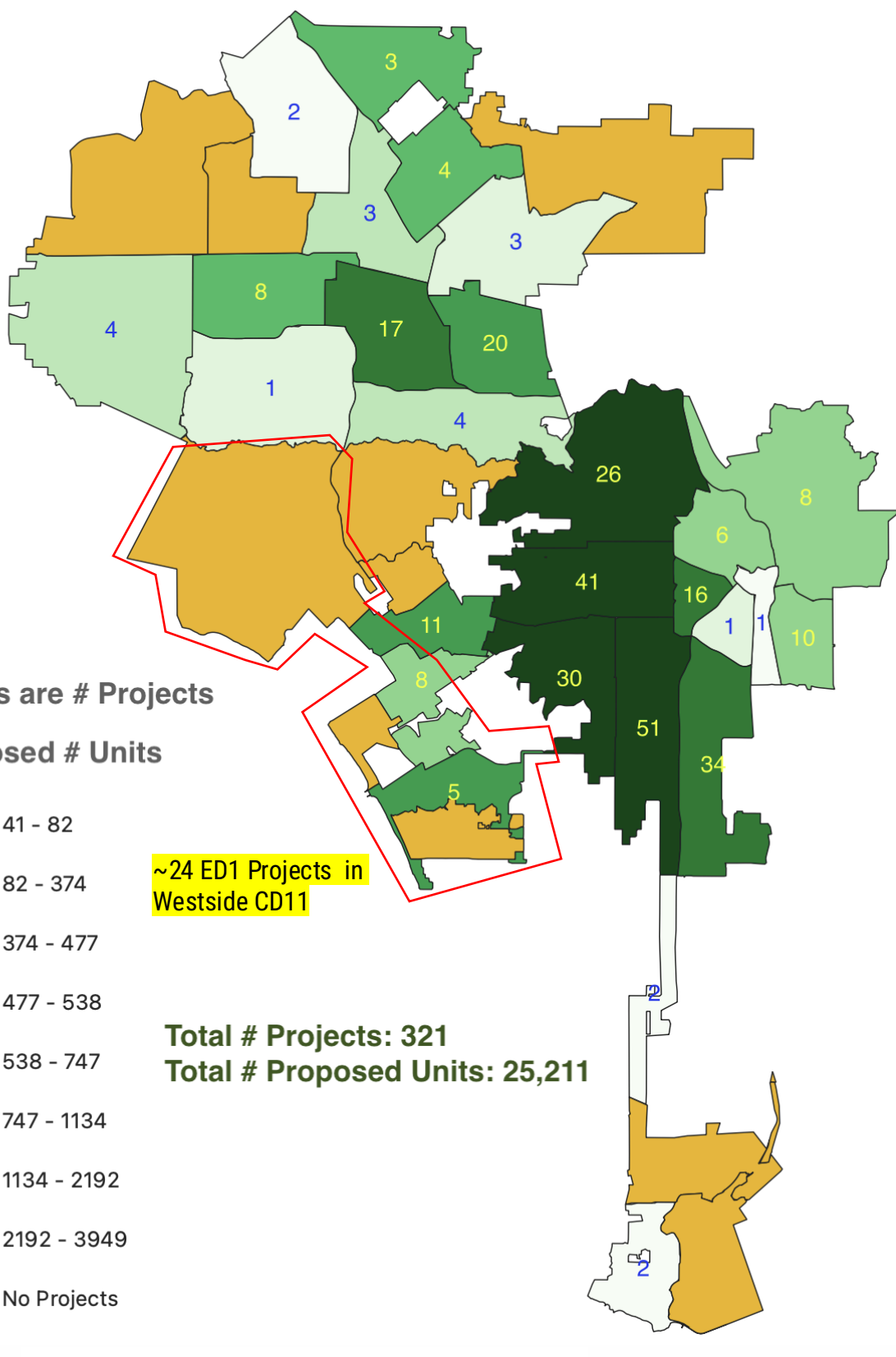
72% of projects have zero vehicle parking spaces



Avg Specs

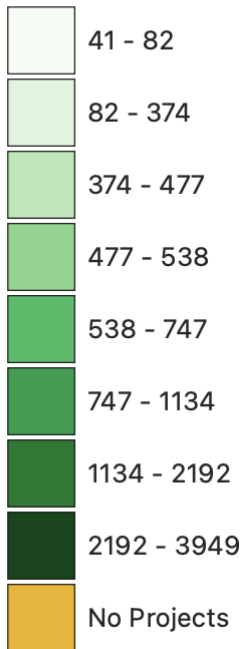
Executive Directive 1 Geography (as of 11/2024)

Building a Better Westchester Playa



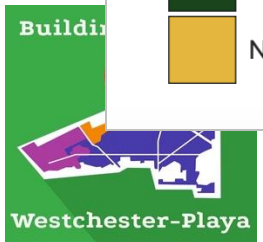
Labels are # Projects

Proposed # Units



~24 ED1 Projects in Westside CD11

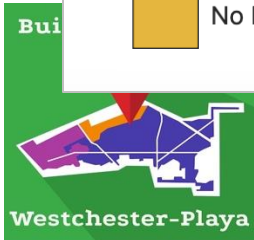
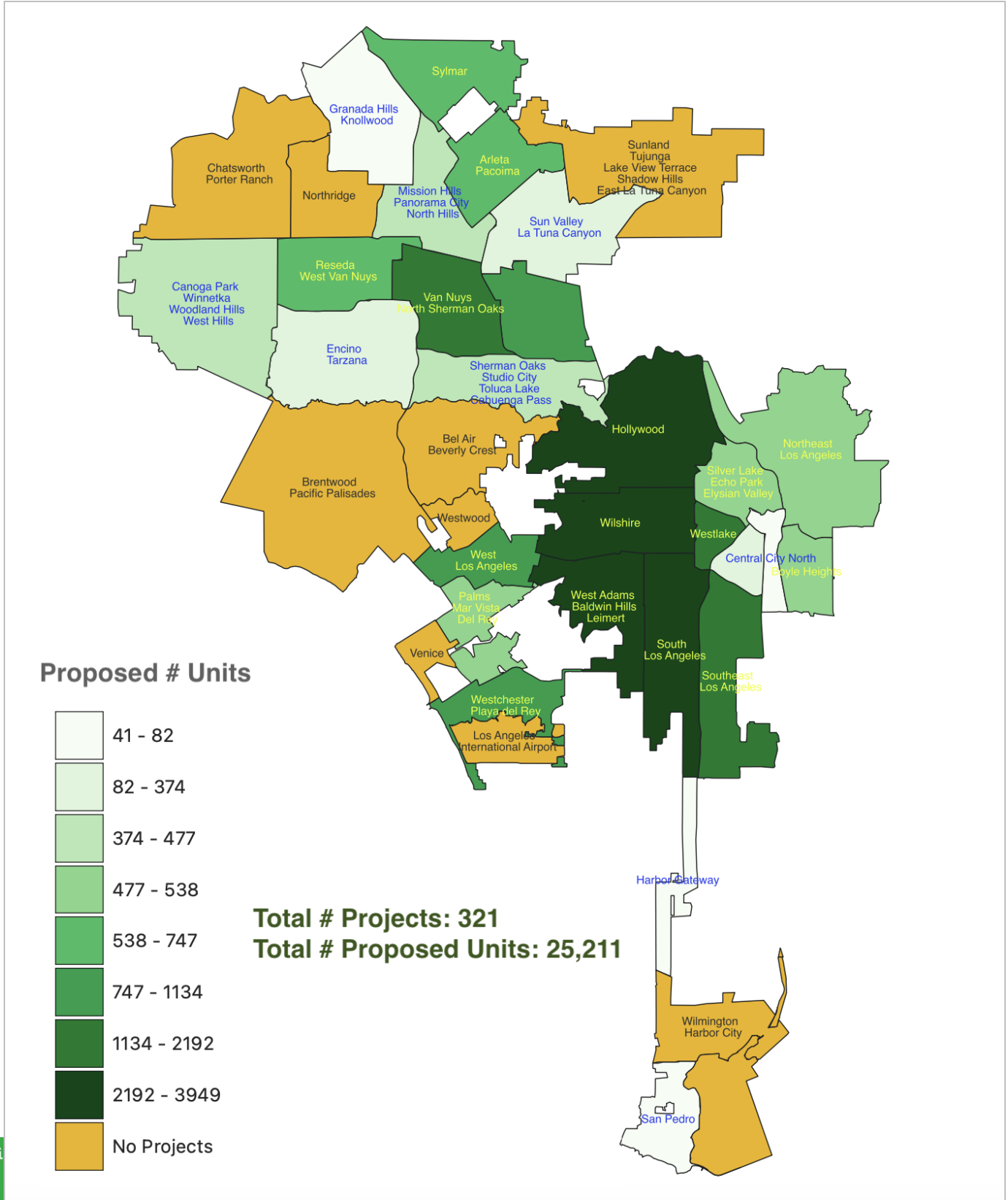
Total # Projects: 321
Total # Proposed Units: 25,211



Sources:
https://geohub.lacity.org/datasets/f4e830d3882d457bb9d9241cdf0b10a_2/about
<https://planning.lacity.gov/project-review/executive-directive-1#resources>

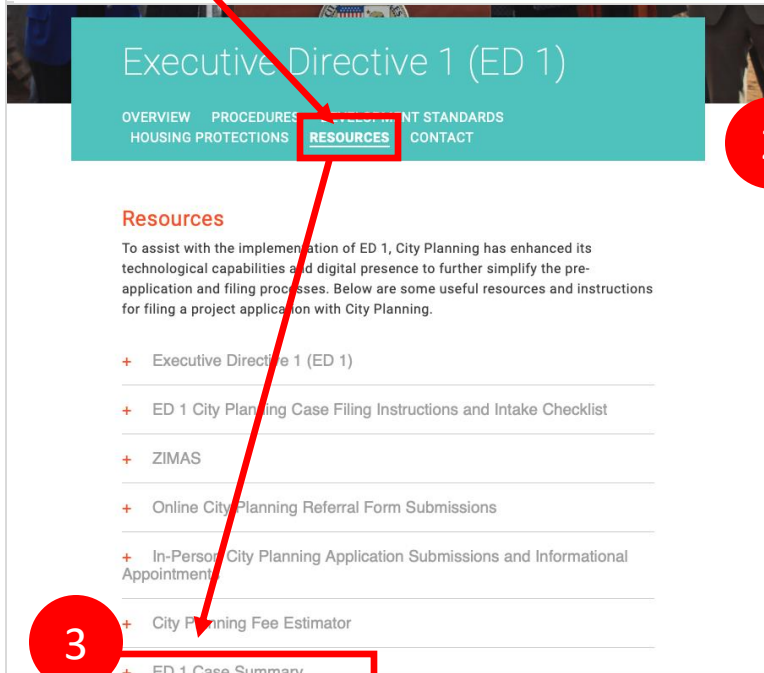
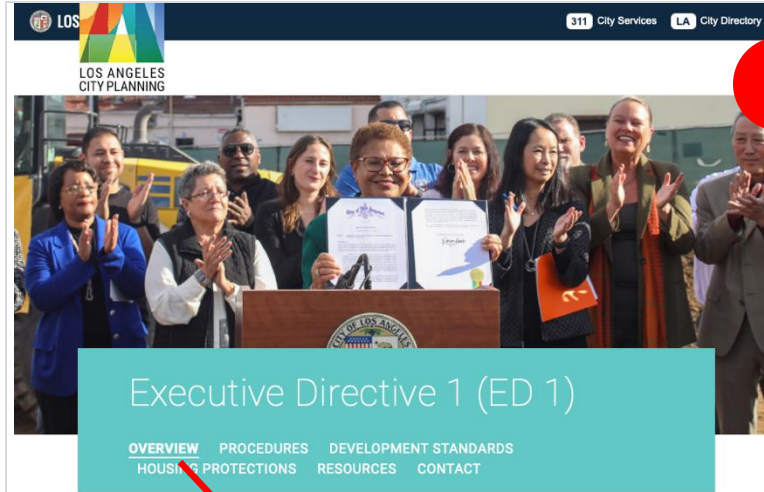
Executive Directive 1 Geography (as of 11/2024)

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Sources:
https://geohub.lacity.org/datasets/f4e830d3882d457bb9d9241cdf0b10a_2/about
<https://planning.lacity.gov/project-review/executive-directive-1#resources>

Executive Directive 1 – Project Monitoring



ED 1 Case Summary

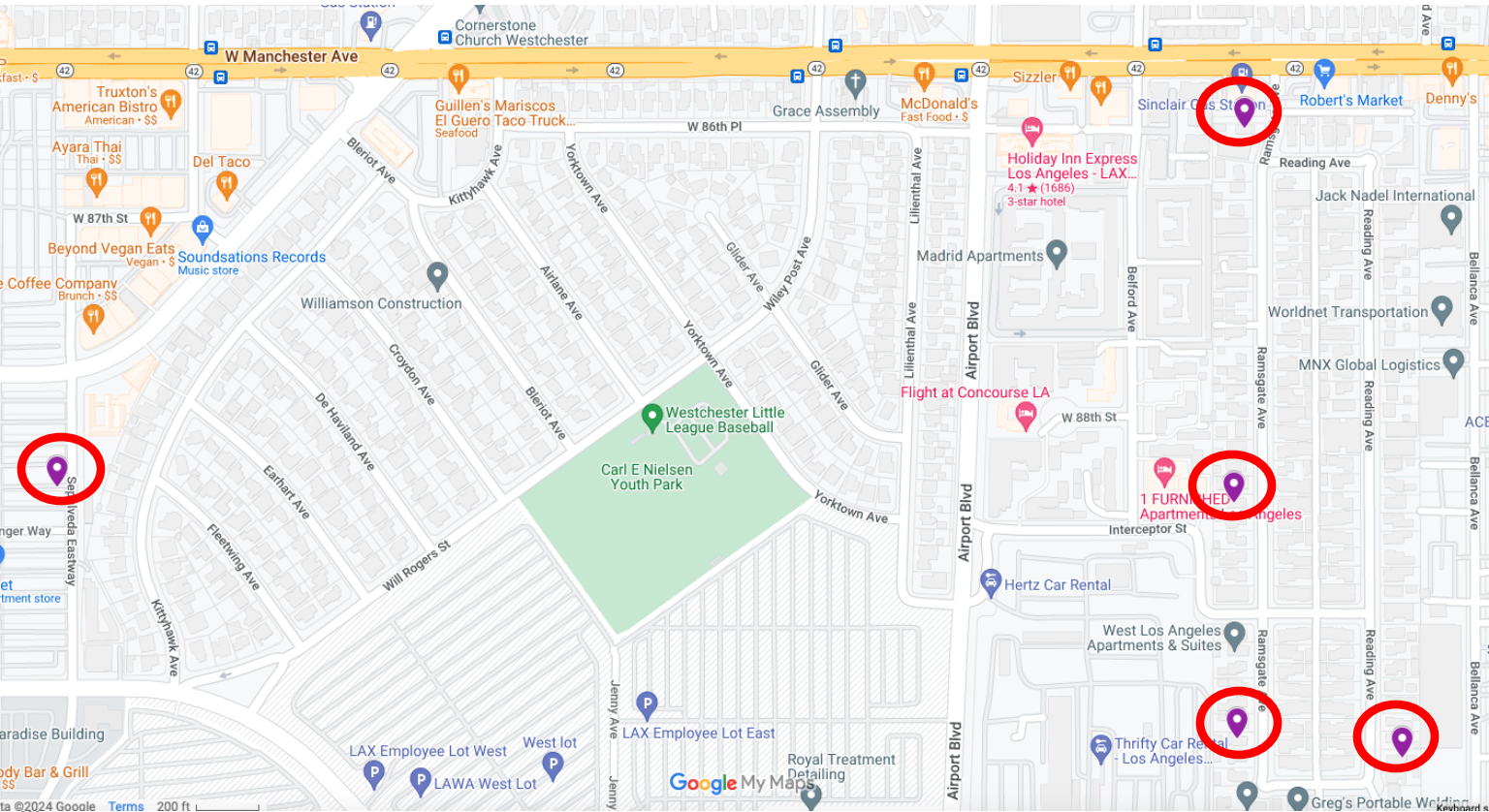
Sort by CD#

Address	Community Plan Area	Council District	Filing Date	Completion Date	Status	Proposed Units	Approved Units
0 S CHESAPEAKE AVE	West Adams - Baldwin Hills - Leimert	CD 10	5/30/2024		PENDING	55	0
N BERENDO ST	Wilshire	CD 10	6/12/2024	10/23/2024	APPROVED	52	52
1 S HOLT AVE	West Adams - Baldwin Hills - Leimert	CD 10	6/27/2024	10/25/2024	APPROVED	53	53
2 S VICTORIA AVE	West Adams - Baldwin Hills - Leimert	CD 10	7/18/2024		PENDING	58	0
1 W 12TH ST	Wilshire	CD 10	9/6/2024		PENDING	44	0
N CATALINA ST	Wilshire	CD 10	9/20/2024		PENDING	18	0
S HOBART BLVD	Wilshire	CD 10	1/4/2024	4/9/2024	APPROVED	80	80
18 W MISSOURI AVE	West Los Angeles	CD 11	7/6/2023	12/12/2023	APPROVED	44	44
5 S AMHERST AVE	West Los Angeles	CD 11	11/29/2023	5/20/2024	APPROVED	38	38
3 S COLBY AVE	West Los Angeles	CD 11	3/6/2024	11/1/2024	APPROVED	143	142
0 S MCLAUGHLIN AVE	Palms - Mar Vista - Del Rey	CD 11	3/12/2024	8/2/2024	APPROVED	39	38
61 W LOUISE AVE	Palms - Mar Vista - Del Rey	CD 11	4/9/2024	9/16/2024	APPROVED	60	60
5 S RAMSGATE AVE	Westchester - Playa del Rey	CD 11	4/17/2024		PENDING	80	0
1 S SAWTELLE BLVD	Palms - Mar Vista - Del Rey	CD 11	1/12/2024		PENDING	42	0
3 S RAMSGATE AVE	Westchester - Playa del Rey	CD 11	5/22/2024	9/18/2024	APPROVED	116	116
1 S RAMSGATE AVE	Westchester - Playa del Rey	CD 11	5/31/2024	7/25/2024	APPROVED	79	77
1 S MEIER ST	Palms - Mar Vista - Del Rey	CD 11	7/22/2024	10/9/2024	APPROVED	77	77
9 S SEPULVEDA EASTWAY	Westchester - Playa del Rey	CD 11	7/25/2024		PENDING	413	0
8 S READING AVE	Westchester - Playa del Rey	CD 11	10/31/2024		PENDING	77	0
7 S STONER AVE	West Los Angeles	CD 11	11/1/2024		PENDING	53	0
6 S CENTINELA AVE 1-18	Palms - Mar Vista - Del Rey	CD 11	11/4/2024	8/21/2024	APPROVED	50	69
84 W CHATSWORTH ST	Granada Hills - Knollwood	CD 12	11/6/2023	4/24/2024	APPROVED	15	15
36 W DEVONSHIRE ST	Granada Hills - Knollwood	CD 12	12/11/2023	10/27/2023	WITHDRAWN	499	0
5 W FERNWOOD AVE	Hollywood	CD 13	7/7/2022	1/5/2023	APPROVED	108	108
0 N GLENDALE BLVD	Silver Lake - Echo Park - Elysian Valley	CD 13	8/16/2022	7/7/2023	APPROVED	53	53
				8/25/2023	APPROVED	64	64
				10/11/2023	APPROVED	65	65
				8/27/2024	APPROVED	38	38
						27,230	17,686

Building a Better Westchester Playa



Ed1 Geography / Westchester-Playa



Building a Better Westchester-Playa



ED1 Projects

- 8615 Ramsgate Ave** Applied 4/17/24 – Pending – 80 units
- 9033 Ramsgate Ave** Applied 5/24, Approved 9/18/24 – 116 units
- 8911 Ramsgate Ave** Applied 5/24, Approved 7/25/24 – 77 units
- 9038 Reading Ave** Applied 10/31/24 – Pending – 77 units
- 8819 Sepulveda Eastway** Applied 7/25/24 – 413 units. Per Planning, rejected application. Modifications required. (see notes pg 8)

8615 Ramsgate Ave	80	Pending
9033 Ramsgate Ave	116	Approved
8911 Ramsgate Ave	77	Approved
9038 Reading Ave	77	Pending
Total	350	

8819 Sepulveda Eastway	413	Application rejected, modifications required
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BaBWP I

8819 Sepulveda East Way

8819 Sepulveda Eastway

Filed
Assigned
Pending

ADM-2024-4730-DB-VHCA-ED1

- "Construction of an 8-story, 413 unit 100% affordable housing (3290 LI units, 83 MI and 1 market rate managers unit.) **With four off-menu incentives and twenty five waivers of development.**"
- Richard Schloss [Company: SCAH-LA LLC]
- Jordan Beroukhim [Company: Beroukhim & Company, LLC]

The Developer

Southern California Affordable Housing-LA

- **27 "current" LA projects on their website.**
- Non-profit...but out of compliance with Sec of State re filings. Renewal Extension ended 5/15/2024
- Website on 990 Form = National Core.org
- Based in Rancho Cucamonga
- National Core – construction arm
- SCAH – development "client" of National Core, many operating entities
 - SCAH the shell, with many hyphenates:
 - SCAH-OC
 - SCAH-Inland Empire
 - SCAH- Riverside
- Land Use Lawyer – LA Lobbist registration for 10 pages of properties (~11 per page = ~110). Impossible to reach by email or phone.

The Building

Steve Garcia: "ED1 cases are granted five (5) Development Incentives and one (1) Waiver of Development Standard. **Projects that do not meet the criteria are issued Letters of Non-Compliance and have 90 days from receiving the letter to confirm or the vesting SB 330 Preliminary Application shall expire and have no further force or effect.** Projects may need design changes in order to come into compliance."



Sample of the 25 Waivers Requests

		ED1 MAX REQUEST	ASK
OPEN SPACE	An Off Menu Incentive to allow for 7,130 SF of Open Space in lieu of 41,300 SF	50% reduction or 20,650 sq ft	83% reduction
BIKE PARKING	f) A Waiver of Development Standard to allow for 60 Long-Term Bicycling Parking Stalls in lieu of 178	50% reduction or 89 stalls	66% reduction
SITE TREES (Shade)	g) A Waiver of Development Standard to allow for 0 On-Site Trees in lieu of 103	25% reduction or less 26 trees for total of 77 trees	100% reduction
BUILDING FAÇADE VARIATION	m) A Waiver of Development Standard to allow full relief from CDO Standard 5a to allow for Residential Uses on Ground Floor; n) A Waiver of Development Standard to allow full relief from Q Condition; o) A Waiver of Development Standard to allow full relief from CDO Standard 5b for Visual Differentiation of Ground Floor Ordinance to allow for Residential Uses on Ground Floor	<30% reduction on each item	Full relief or 100% reduction
RECONSTRUCTION SIDEWALKS	z) A Waiver of Development Standard to allow full relief from CDO Standard 13i for reconstruction of public and private sidewalks		Full relief
LEED CERTIFICATION BUILD	aa) A Waiver of Development Standard to allow full relief from CDO Standard 22a for LEED Certified Projects		Full relief
HIGH PERFORMANCE WINDOWS	bb) A Waiver of Development Standard to allow full relief from CDO Standard 22b for High Performance Windows & Awnings		Full relief

Ed1 Current Projects Recap / Tommy Beadel

8911 Ramsgate

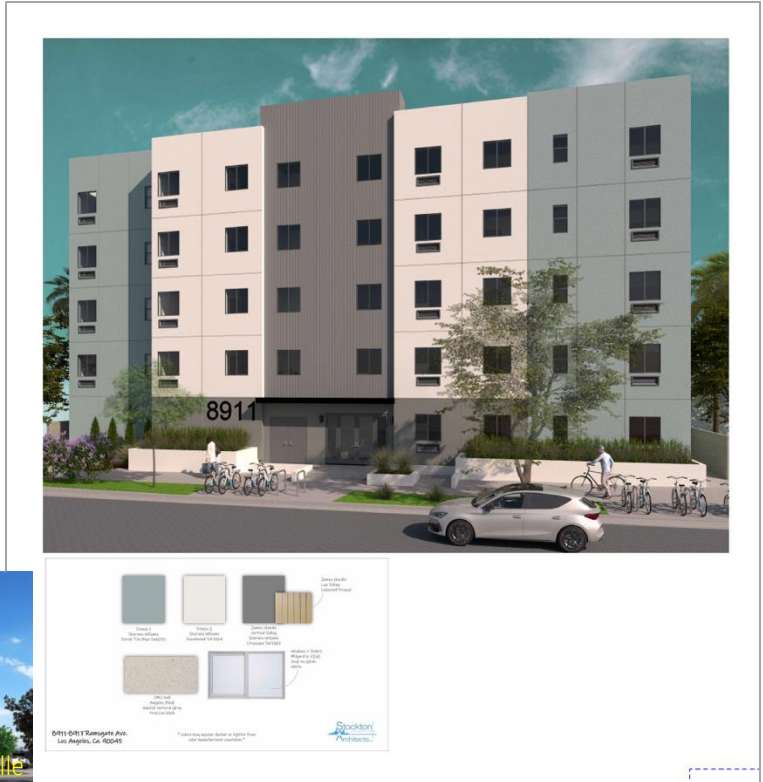
Filed 5/31/24

Approved 7/25/24 – 39 days

ADM-2024-3476-DB-VHCA-ED1

- “Demolition of existing buildings and construction of 79-unit, 5-story, 55-ft in height 100% affordable apartment building.”
- Applicant: Tommy Beadel [Company: 8911 Ramsgate LLC]
- Markie Nevill [Company: three6ixty]

Notes: Tommy Beadel – founding partner of Thomas James Homes. Lots of capital + sophisticated operator. Other LA projects:



9038 Reading

Filed 10/31/24

Assigned 11/14/24

Pending ~12 days (early in process)

ADM-2024-7105-DB-VHCA-RED1

“Demolition of existing buildings and construction of 77 unit 100% affordable apartment building 5 stories tall and 55 feet in height..”

- Applicant: TOMMY BEADEL [Company: HVN HOLDINGS LLC]
- DANA A. SAYLES [Company: THREE6IXTY]



Ed1 Current Projects Recap

8615 Ramsgate

Filed 4/17/24

Assigned 7/18/24 (72 days after filing)

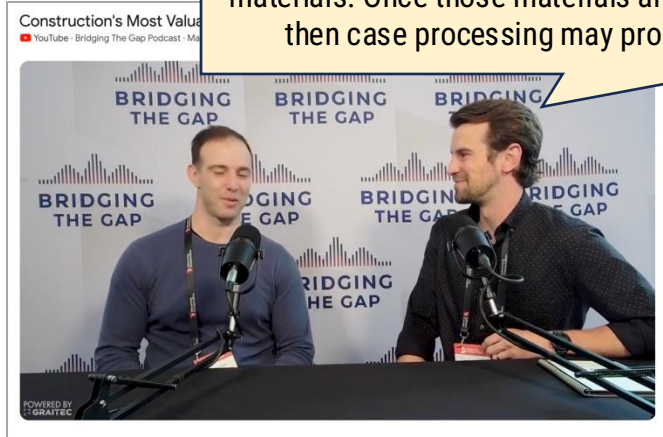
Pending - 151 days, as of 11/19

ADM-2024-3241-DB-VHCA-ED1

- "PROPOSED (N) 82-UNIT 100% AFFORDABLE HOUSING APARTMENT BUILDING."
- Applicant: ANTHONY GUDE [Company: GUDE CAPITOL INVESTMENT]

Notes: Gude Real Estate Investments LP; focused on modular solutions to save \$\$ on new development projects.

Esther Serrato: "The case has been placed on hold due to a number of missing filing materials. Once those materials are provided then case processing may proceed."



"With 400 homes in development, we are underway with our programmatic IC fund, the third of it's kind, called the **Multifamily Industrialized Construction & Development fund III** that compliments our existing projects and those of our operating partners."

9033 Ramsgate

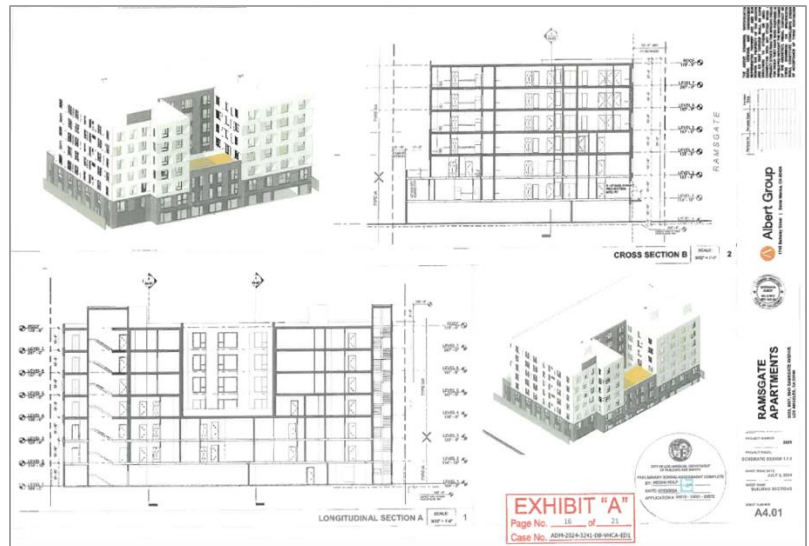
Filed 5/22/24

Approved 9/18/24 – 85 days

ADM-2024-3241-DB-VHCA-ED1

- "New 7-Story (5 levels of type IIIA construction over 2 levels of type 1A construction) 116 unit 100% affordable multi-family residential building with **36 automobile parking spaces..**"
- Applicant: Derek Sanders [Company: Six Peak Capital]

Notes: Derek Sanders & Six Peak Capital
"Vertically integrated" developer
5 markets: NY, LA, Seattle, Chicago, SF
50+ projects
3100+ leasable units



Our take-aways

ED1 v3 implemented important building restrictions and design requirements.

ED1 has succeeded in opening 100% affordable coverage:

For-profit developers have joined. Focused on 2 higher *affordable* income brackets.

Low Income (80% of AMI)
Moderate Income Rents
(120% of AMI)

Some smaller for-profit players are speculating, and Planning is successfully holding the quality control line, forcing compliance via plan amendments or refileing.

Examples
2 people: \$89K to \$94K
Family of 4: \$110K to \$118K

Non-profit affordable + public money = serving the lower “affordable” levels.

Geography *is* economics in LA

In-fill happening primarily where land costs are lower. Raising questions of “equitable distribution” across the city.

Westside’s load is light and likely to continue to be so.

