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INTER-DEPARTMENTAL MEMORANDUM

TO: Vincent P. Bertoni, AICP, Director of Planning, Department of City Planning
Osama Younan, General Manager, Department of Building and Safety
Other Interested Parties

FROM: Ann Sewill, General Manager, Los Angeles Housing Department *Ann Sewill*

DATE: April 29, 2024

SUBJECT: NEW TOC RENT SCHEDULE

This memo is to notify you and your departments that pursuant to Measure JJJ, effective June 1, 2024, the rent schedule applicable to Transit Oriented Communities Affordable Housing Incentive Program (TOC) projects will change to create a new schedule specifically for TOC projects, attached as “Schedule X (TOC).”

Measure JJJ, approved by the voters in November 2016, assigns to LAHD the responsibility for determining affordable rents in TOC projects. Effective June 1, 2024, LAHD will change how rents in TOC projects are calculated for units allocated to Extremely Low-Income (ELI) households (households with incomes at or below 30% of AMI) and Very Low-Income (VLI) households (households with incomes at or below 50% of AMI). As allowed in Measure JJJ, the rents for these units will be calculated according to Schedule 6 (also known as “HCD Rents,” as determined by the California Housing and Community Development Department), rather than Schedule 1 (also known as “HUD Rents,” as determined by the federal Department of Housing and Urban Development). TOC units allocated to Lower Income (LI) households (households with incomes at or below 80% of AMI) will continue to be calculated according to Schedule 1/HUD Rents. To document this change, LAHD has issued “Schedule X (TOC),” which will be used to calculate rents in TOC projects (see Exhibit A, attached).

This policy change will apply to project covenant applications submitted on or after June 1, 2024. No projects will be required to change their existing covenants or the covenants associated with TOC projects for which an amendment application has been submitted prior to the date this policy change becomes effective. However, projects with existing covenants that seek to amend covenants for ELI and VLI units from Schedule 6/HCD Rents to Schedule 1/HUD Rents will no longer be able to do so on or after June 1, 2024.

Any application to amend an already existing TOC covenant that has been submitted to the Department, with the required fee paid prior to June 1, 2024, will be processed under the October 2022 TOC rent policy. Amendments will apply to never-occupied units or to occupied units only upon voluntary vacancy.

Any application for a project that does not yet have a covenant recorded but has submitted either a Housing Crisis Act Preliminary Vesting Application (CP-4062) form and required materials to City Planning, or a complete planning entitlement or building permit application, along with payment of any associated submittal fees, prior to the effective date of this policy change (June 1, 2024) may continue to seek covenants under the October 2022 policy for TOC projects. As of June 1, 2024, any new filings for TOC projects will be subject to Schedule X (TOC).

LAHD has made information about Rent Schedule X (TOC) and the effective dates available at the City's public counters, on the LAHD website (<https://housing2.lacity.org>), and to the development community. For questions about Schedule X (TOC) please contact the Land Use Section at Lahd-LandUse@lacity.org.

ATTACHMENTS:

Exhibit A - Schedule X (TOC)