

REVISED 3-24-03

JAN-22-2003 16:45 SAFFRONOFF & ASSOC. F. 01/02  
 CASE NUMBER: APCW-2002-5554-COP-DPE-TAA-SPP-MEC  
 ADDRESS: 709 S 5TH AVENUE  
 Parcel Map No. \_\_\_\_\_  
 Coastal Development Permit No. \_\_\_\_\_

LOS ANGELES CITY PLANNING DEPARTMENT  
MODERATE-INCOME HOUSING PURCHASE FEASIBILITY ANALYSIS  
 (FOR HELLO FINDINGS)

BASIC INFORMATION:

Number of Units: 3  
 Square footage in each unit: 1422  
 Number of bedrooms in each unit: 2  
 Cost per square foot: 150

DECK AREA ± 1116 SQ FT  
 OPEN AREA ± 2260 SQ FT  
 Other: COVERED PATIO ± 303 SQ FT  
 (Garages, Recreation Areas, Etc.)

A. ESTIMATED COST

- 1. Land\* 450,000
  - 2. Improvement (e.g., grading, sewer, water, street lights, etc.) 15,000
  - 3. Architectural/Engineering 40,000
  - 4. Legal 15,000
  - 5. Permit and Fees 30,000
  - 6. Interest and cost of loans 81,600
  - 7a. Construction Cost (total square feet x \$/square foot) 950,000
  - 8. Remodeling, refurbishing, etc. (for condominium conversion) 0
  - 9. Management 60,000
  - 10. Other (specify) \_\_\_\_\_
- Total for 3 market Rate Units \$1,641,600 A

B. LOANS

- 1st \_\_\_\_\_
- 2nd \_\_\_\_\_
- Construction 1,070,000
- Other (specify) \_\_\_\_\_
- B Total: \$1,070,000

C. Investment

Cost(A) - Loans(B) =  
 $1,641,600 - 1,070,000 = 571,600$   
 7b. Construction cost with at least one moderate-cost unit of 1,000 300,000  
\$150.00 square feet

Total for 2 market Rate Units + 1 moderate unit \$1,641,600 A

\* Use current market value per City Council (proof will be necessary).

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SEFRONOFF & ASSOC.

CASE NUMBER: APCW-2002-5554

CDP-SFE-ZAA-SPP-MH P. 02/03

ADDRESS: 709 S 5TH AVENUE

Parcel Map No. \_\_\_\_\_

Coastal Development Permit No. \_\_\_\_\_

D. DURATION OF PROJECT IN MONTHS:

12 MONTHS

E. SALES PROJECTIONS:

All units at  
MARKET RATES  
Units x price

3 x 650,000 = \$1,950,000

less sales cost  
(specify % 8 %) = \$1,569,000

net sales proceeds = \$1,794,000  
E<sup>1</sup>

Assume at least one unit  
(of 1,000 square feet) at  
LOW/MODERATE PRICE\*\*

unit low/moderate price = \$1,470,636

others: units x price  
less sales costs  
(specify % 8 %) = \$117,654

net sales proceeds = \$635,052  
E<sup>2</sup>

F. PROFIT/LOSS

MARKET RATES

Profit/Loss = Sales Projection - cost

= E<sub>1</sub> - A<sub>1</sub>  
= \$152,400  
F<sub>1</sub>

LOW/MODERATE

Profit/Loss = Sales Projection - cost

= E<sub>2</sub> - A<sub>2</sub>  
= \$288,568  
F<sub>2</sub>

"IF LOSS DO NOT PROCEED FURTHER"

G. RETURN ON INVESTMENT

Percent =  $\frac{F_1}{C} \times 100 = \text{_____} \%$

Annual Percent Return =

=  $\frac{F_1}{C} \times 100 \times \frac{12}{D}$

= \_\_\_\_\_ %

Percent =  $\frac{F_2}{C} \times 100 = \text{_____} \%$

Annual Percent Return =

=  $\frac{F_2}{C} \times 100 \times \frac{12}{D}$

= \_\_\_\_\_ %

Prepared by: Sefronoff & Associates  
Representative of Wilton Corporation

Date Prepared 3/24/03  
Telephone No. (310) 878-7299

\*\* MODERATE-INCOME SALES PRICES: BASED ON 2002 MEDIAN-FAMILY INCOME

1 bedroom  
2 bedroom

\$137,714.00  
\$170,686.00

3 bedroom  
4 bedroom

\$201,719.00  
\$224,695.00

\*Dept. of Housing Preservation & Production

CP-1867 (10/02)  
(10/02)


CITY OF LOS ANGELES  
DEPARTMENT OF CITY PLANNING  
ENTITLEMENT MANAGEMENT UNIT

MELLO ACT COMPLIANCE REPORT

CASE NO. ZA-2003-2642-CDP  
AA-2002-5557-PMLA

DATE: September 24, 2003

TO: Zoning Administrators, Deputy Advisory Agency, Hearing Examiners,  
Community Planning Staff (Coastal Zone Areas)

FROM: Simon Pastucha   
Mello Compliance Coordinator

PROJECT DESCRIPTION: Demolish an existing owner-occupied single-family dwelling and construct a new three-unit condominium.

PROJECT ADDRESS: 709 S. 5th Ave

COMMUNITY: Venice COUNCIL DISTRICT: 11

APPLICANT/OWNER: Mark A. Baez (O) and Arthur R. Kenworthy (O)

This report is being provided to you in accordance with the provisions of California Government Code Sections 65590 and 65590.1 (the Mello Act), the City's Interim Administrative Procedures for complying with the Mello Act, and the terms of the Settlement Agreement between the City of Los Angeles, Venice Town Council, Barton Hill Neighborhood Association, and Carol Berman concerning implementation of the Mello Act in the coastal zone areas of the City of Los Angeles.

The Mello Act (California Government Code Sections 65590 and 65590.1) is a Statewide law which mandates local governments to comply with a variety of provisions concerning the demolition, conversion, and construction of residential units in California's Coastal Zone. The Mello Act requires that very low, low, and moderate income housing units that are demolished or converted must be replaced and that new residential developments must reserve at least 20% of all new residential units for low or very low income persons or families or reserve at least 10% of all new residential units for very low income persons or families.

**LOS ANGELES HOUSING DEPARTMENT DECLARATION OF AFFORDABLE UNITS**

**Not Applicable** – Since the proposed project involves the demolition of an owner-occupied single-family dwelling, a Los Angeles Housing Department report is not required. Therefore, the applicant/owner/developer is not required to provide replacement affordable dwelling units on-site or within the Coastal Zone.

**CITY PLANNING DEPARTMENT REVIEW FOR INCLUSIONARY HOUSING REQUIREMENT**

**Not Applicable** – The proposed project does not meet or exceed the threshold of ten (10) or more new whole dwelling units to require the inclusion of affordable dwelling units. Therefore, the applicant/owner/developer is not required to provide any inclusionary affordable dwelling units on-site or within the Coastal Zone.

**CITY PLANNING DEPARTMENT REVIEW FOR MELLO ACT EXEMPTION**

The Mello Act and the Mello Act Settlement Agreement, which became effective on January 3, 2001, provides for three automatic exemptions from portions of the Mello Act that require the replacement of existing, or the inclusion new, affordable dwelling units. These exemptions are:

1. OWNER-OCCUPIED SINGLE FAMILY RESIDENCE that will be demolished and replaced by a single-family residence to be occupied by the same owner (*exemption from the replacement of an existing affordable dwelling unit; applies only to the owner-occupied dwelling unit*). An Owner-Occupied Single-Family Dwelling Exemption Affidavit must be signed and submitted by the property owner of record.
2. EXISTING RESIDENTIAL STRUCTURE(S) TO BE DEMOLISHED HAS (HAVE) BEEN DECLARED A PUBLIC NUISANCE by the Department of Building and Safety (*exemption from the replacement of existing affordable dwelling units; applies only to those units cited*). A copy of the Notice to Comply or Notice to Demolish must be provided by applicant/owner/developer.
3. SMALL NEW HOUSING DEVELOPMENT consisting of fewer than ten (10) residential units (*exemption from the inclusion of affordable dwelling units; applies only to those units not identified as replacement affordable dwelling units*). A new housing development of nine (9) or fewer residential units is considered a small new housing development.

Based upon the information submitted by the applicant/owner/developer for the demolition of an owner-occupied single-family residence and the construction of a three-unit condominium, the proposed project is eligible for the SMALL NEW HOUSING DEVELOPMENT exemption from the Mello Act.