

Appendix V

Historic Preservation Overlay Zone

ORDINANCE NO. 175891

A proposed ordinance amending Section 12.20.3 of the Los Angeles Municipal Code to modify procedures within the Historic Preservation Overlay Zones.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. Section 12.20.3 of the Los Angeles Municipal Code is amended to read:

SEC. 12.20.3. "HP" HISTORIC PRESERVATION OVERLAY ZONE. The following regulations shall apply in an HP Historic Preservation Overlay Zone:

A. Purpose. It is hereby declared as a matter of public policy that the recognition, preservation, enhancement, and use of buildings, structures, Landscaping, Natural Features, and areas within the City of Los Angeles having Historic, architectural, cultural or aesthetic significance are required in the interest of the health, economic prosperity, cultural enrichment and general welfare of the people. The purpose of this section is to:

1. Protect and enhance the use of buildings, structures, Natural Features, and areas, which are reminders of the City's history, or which are unique and irreplaceable assets to the City and its neighborhoods, or which are worthy examples of past architectural styles;
2. Develop and maintain the appropriate settings and environment to preserve these buildings, structures, Landscaping, Natural Features, and areas;
3. Enhance property values, stabilize neighborhoods and/or communities, render property eligible for financial benefits, and promote tourist trade and interest;
4. Foster public appreciation of the beauty of the City, of the accomplishments of its past as reflected through its buildings, structures, Landscaping, Natural Features, and areas;
5. Promote education by preserving and encouraging interest in cultural, social, economic, political and architectural phases of its history;

6. Promote the involvement of all aspects of the City's diverse neighborhoods in the historic preservation process; and

7. To ensure that all procedures comply with the California Environmental Quality Act (CEQA).

B. Definitions. For the purposes of this ordinance, the following words and phrases are defined:

1. **ADDITION** is an extension or increase in floor area or height of a building or structure.

2. **ALTERATION** is any exterior change or modification of a building, structure, Landscaping, Natural Feature or lot within a Historic Preservation Overlay Zone including but not limited to changing exterior paint color, removal of significant trees or Landscaping, installation or removal of fencing, and similar Projects, and including street features, furniture or fixtures.

3. **BOARD** is the respective Historic Preservation Board as established by this section.

4. **CERTIFICATE OF APPROPRIATENESS** is an approved certificate issued for the construction, Addition, demolition, Reconstruction, Alteration, removal, or relocation of any publicly or privately owned building, structure, Landscaping, Natural Feature, or lot within a Historic Preservation Overlay Zone that is identified as a Contributing Element in the Historic Resources Survey for the zone, including street features, furniture or fixtures.

5. **CERTIFICATE OF COMPATIBILITY** is an approved certificate issued for the construction of a new building or structure on a lot, or building replacement of an element, identified as Non-Contributing, or not listed, in the Historic Resources Survey for the zone.

6. **CONTRIBUTING ELEMENT** is any building, structure, Landscaping, Natural Feature identified on the Historic Resources Survey as contributing to the Historic significance of the Historic Preservation Overlay Zone, including a building or structure which has been altered, where the nature and extent of the Alterations are determined reversible by the Historic Resources Survey.

7. **CULTURAL** is anything pertaining to the concepts, skills, habits, arts, instruments or institutions of a given people at any given point in time.

8. HISTORIC is any building, structure, Landscaping, Natural Feature, or lot, including street features, furniture or fixtures which depicts, represents or is associated with persons or phenomena which significantly affect or which have significantly affected the functional activities, heritage, growth or development of the City, State, or Nation.

9. HISTORICAL PROPERTY CONTRACT is a contract, between an Owner or Owners of a Historical-Cultural Monument or a Contributing Element and the City of Los Angeles, which meets all requirements of California Government Code Sections 50281 and 50282 and 19.140 *et seq.* of the Los Angeles Administrative Code.

10. HISTORIC RESOURCES SURVEY is a document, which identifies all contributing and non-contributing buildings, structures and all contributing Landscaping, Natural Features and lots, individually or collectively, including street features, furniture or fixtures, and which is certified as to its accuracy and completeness by the Cultural Heritage Commission.

11. LANDSCAPING is the design and organization of landforms, hardscape, and softscape, including individual groupings of trees, shrubs, groundcovers, vines, pathways, arbors, *etc.*

12. MAINTENANCE AND REPAIR is any work done to correct the deterioration, decay of, or damage to a building, structure or lot, or any part thereof, including replacement in-kind where required, and which does not involve a change in the existing design, materials, or exterior paint color.

13. MONUMENT is any building, structure, Landscaping, Natural Feature, or lot designated as a City Historic-Cultural Monument.

14. NATURAL FEATURE is any significant tree, plant life, geographical or geological feature identified individually or collectively on the Historic Resources Survey as contributing to the Cultural or Historical significance of the Historic Preservation Overlay Zone.

15. NON-CONTRIBUTING ELEMENT is any building, structure, Natural Feature, lot, or Landscaping, that is identified in the Historic Resources Survey as a Non-Contributing Element, or not listed in the Historic Resources Survey.

16. OWNER is any person, association, partnership, firm, corporation or public entity identified as the holder of title on any property as shown on the records of the City Clerk or on the last assessment roll of the County of Los Angeles, as applicable. For purposes of this section, the term Owner shall also refer to an

appointed representative of an association, partnership, firm, corporation, or public entity which is a recorded Owner.

17. PRESERVATION ZONE is any area of the City of Los Angeles containing buildings, structures, Landscaping, Natural Features or lots having Historic, architectural, Cultural or aesthetic significance and designated as a Historic Preservation Overlay Zone under the provisions of this section.

18. PROJECT is the Addition, Alteration, construction, demolition, Reconstruction, Rehabilitation, relocation, removal or Restoration of the exterior of any building, structure, Landscaping, Natural Feature, or lot, within a Preservation Zone, except as provided under Subsection H. A Project may or may not require a building permit, and may include but not be limited to changing exterior paint color, removal of significant trees or Landscaping, installation or removal of fencing, replacement of windows and/or doors which are character-defining features of architectural styles, changes to public spaces and similar activities.

19. RECONSTRUCTION is the act or process of reproducing by new construction the exact form, features and details of a vanished building, portion of a building, structure, landscape, Natural Feature, or object as it appeared at a specific period of time, on its original or a substitute lot.

20. REHABILITATION is the act or process of returning a property to a state of utility, through repair or Alteration, which makes possible an efficient contemporary use while preserving those portions or features of the property which are significant to its Historical, architectural and Cultural values.

21. RENTER is any person, association, partnership, firm, corporation, or public entity which has rented or leased a dwelling unit or other structure within a Preservation Zone for a continuous time period of at least three years. For purposes of this section, the term renter shall also refer to an appointed representative of an association, partnership, firm, corporation, or public entity which is a renter.

22. RESTORATION is the act or process of accurately recovering the form, features and details of a property as it appeared at a particular period of time by means of the removal of later work or by the replacement of missing earlier work.

23. RIGHT-OF-WAY is the dedicated area that includes roadways, medians and/or sidewalks.

C. Relationship to Other Provisions of the Code. Whenever the City Council establishes, adds land to, eliminates land from or repeals in its entirety a Preservation Zone, the provisions of this section shall not be construed as an intent to abrogate any other provision of this Code. When it appears that there is a conflict, the most restrictive requirements of this Code shall apply, except for a requirement in this section, which may compromise public safety if enforced.

D. Historic Preservation Board.

1. Establishment and Composition. There is hereby established for each Preservation Zone a Historic Preservation Board. Each Board shall have, as part of its name, words linking it to its area of administration and distinguishing it from all other boards. A Board shall be comprised of five members. At least three members shall be Renters or Owners of property in the Preservation Zone. For the purposes of this subsection, a Preservation Zone shall be considered predominantly residential when the total number of residentially zoned lots is greater than the combined total of lots in all other zone classifications. In predominantly residential Preservation Zones, at least three members shall be Owners or Renters who reside in the Preservation Zone. When property is owned or rented by corporations, governments or other organizations, the Board members may be appointees of those organizations. In the event a Preservation Zone is established for an area insufficient in size to provide for a Board whose members meet the requirements of this subsection, for appointment purposes only, the area may be expanded to include the community plan area in which the Preservation Zone is located. In the event a Board still cannot be comprised of members who meet the requirements of this subsection, the Cultural Heritage Commission shall assume all the powers and duties otherwise assigned to the Board for the Preservation Zone, until a Board can be established.

2. Term of Membership. Members of the Board shall serve for a term of four years. Members of the Board whose terms have expired may continue to serve on the Board until their replacements are appointed.

3. Appointment of Members. To the maximum extent practicable, members shall be appointed as follows:

(a) One member having extensive real estate or construction experience shall be appointed by the Mayor.

(b) One member who is a Renter or Owner of property in the Preservation Zone shall be appointed by the councilmember of the district in which the Preservation Zone is located. In cases where the Preservation Zone is located in more than one council district, the appointment shall be made by

the councilmember representing the greatest land area in the Preservation Zone. In predominantly residential Preservation Zones, the Owner or Renter shall also be a resident of the Preservation Zone.

(c) Two members, one of which shall be an architect licensed by the State of California, shall be appointed by the Cultural Heritage Commission. In the event only one appointment under (a) or (b) above is a Renter or Owner in the Preservation Zone, then at least one of the appointees of the Cultural Heritage Commission shall be a Renter or Owner of property in the Preservation Zone. In the event neither of the appointments under (a) or (b) above is an Owner of property in the Preservation Zone, then at least one of the appointees of the Cultural Heritage Commission shall also be an Owner of property in the Preservation Zone. In predominantly residential Preservation Zones, the Owners or Renters shall also be residents of the Preservation Zone.

(d) One member, who is an Owner of property in the Preservation Zone, shall be appointed by the Board. The Board shall consider appointee suggestions from the Certified Neighborhood Council representing the district in which the Preservation Zone is located. In predominantly residential Preservation Zones, the Owners or Renters shall also be residents of the Preservation Zone. In cases where the Preservation Zone is located in an area represented by more than one Neighborhood Council, the appointee suggestions shall be made by the Neighborhood Council representing the greatest land area in the Preservation Zone. In those Preservation Zones containing no Certified Neighborhood Councils, or if, after notification of a vacancy by the Planning Department, the Certified Neighborhood Council fails to make suggestions within 30 days, or at least one Certified Neighborhood Council meeting has been held, whichever occurs first, the Board may make its appointment without delay.

All members shall have demonstrated a knowledge of, and interest in, the culture, buildings, structures, Historic architecture, history and features of the area encompassed by the Preservation Zone and, to the extent feasible, shall have experience in historic preservation. The appointing authorities are encouraged to consider the cultural diversity of the Preservation Zone in making their appointments. Appointees serve at the pleasure of the appointing authority and the appointment may be rescinded at any time prior to the expiration of a member's term.

4. Vacancies. In the event of a vacancy occurring during the term of a member of the Board, the same body or official, or their successors, who appointed the member shall make a new appointment. The new appointment shall serve a four year term beginning on the date of appointment. Where the member is required

to have specified qualifications, the vacancy shall be filled with a person having these qualifications. If the appointing authority does not make an appointment within 60 days of the vacancy, the President of the City Council shall make a temporary appointment to serve until the appointing authority makes an appointment to occupy the seat.

5. Expiration of Term. Upon expiration of a term for any member of the Board, the appointment for the next succeeding term shall be made by the same body or official, or their successors, which made the previous appointment. No member of a Board shall serve more than two consecutive four year terms.

6. Boardmember Performance. Boardmembers shall be expected to regularly attend scheduled Board meetings and fully participate in the powers and duties of the Board. Appointees serve at the pleasure of the appointing authority and the appointment may be rescinded at any time prior to the expiration of a member's term. A Boardmember with more than three consecutive unexcused absences or eight unexcused absences in a year period from regularly scheduled meetings may be removed by the appointing authority. Excused absences may be granted by the Board chair. In the event a Boardmember accrues unexcused absences, the Board shall notify the appointing authority.

7. Organization and Administration. Each Board shall schedule regular meetings at fixed times within the month with a minimum of two meetings a month. Meetings may be canceled if no deemed complete applications are received at least three working days prior to the next scheduled meeting. There shall be at least one meeting a year. The Board shall establish rules, procedures and guidelines as it may deem necessary to properly exercise its function. The Board shall elect a Chairperson and Vice-Chairperson who shall serve for a one year period. The Board shall designate a Secretary and Treasurer who shall serve at the Board's pleasure. Three members shall constitute a quorum. Decisions shall be determined by majority vote of the Board. Public minutes and records shall be kept of all meetings and proceedings showing the attendance, resolutions, findings, determinations and decisions, including the vote of each member. To the extent possible, the staffs of the Department of City Planning and Cultural Affairs Department may assist the Board in performing its duties and functions.

8. Power and Duties. When considering any matter under its jurisdiction, the Board shall have the following power and duties:

(a) To evaluate any proposed changes to the boundaries of the Preservation Zone it administers and make recommendations to the City Planning Commission, Cultural Heritage Commission and City Council.

(b) To evaluate any Historic resources survey, resurvey, partial resurvey, or modification undertaken within the Preservation Zone it administers and make recommendations to the City Planning Commission, Cultural Heritage Commission and City Council.

(c) To study, review and evaluate any proposals for the designation of Historic-Cultural Monuments within the Preservation Zone it administers and make recommendations to the Cultural Heritage Commission and City Council, and to request that other City departments develop procedures to provide notice to the Boards of actions relating to Historic-Cultural Monuments.

(d) To evaluate applications for Certificates of Appropriateness or Certificates of Compatibility and make recommendations to the Director or the Area Planning Commission.

(e) To encourage understanding of and participation in historic preservation by residents, visitors, private businesses, private organizations and governmental agencies.

(f) In pursuit of the purposes of this section, to render guidance and advice to any Owner or occupant on construction, demolition, Alteration, removal or relocation of any Monument or any building, structure, Landscaping, Natural Feature or lot within the Preservation Zone it administers. This guidance and advice shall be consistent with approved procedures and guidelines, and the Preservation Plan, or in absence of a Plan, the guidance and advice shall be consistent with the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.

(g) To tour the Preservation Zone it represents on a regular basis, to promote the purposes of this section and to report to appropriate City agencies matters which may require enforcement action.

(h) To assist in the updating of the Historic Resources Survey for the Preservation Zone utilizing the criteria in Subsection F 3 (c), below.

(i) To make recommendations to decision makers concerning façade easements, covenants, and the imposition of other conditions for the purposes of historic preservation.

(j) To make recommendations to the City Council concerning the utilization of grants and budget appropriations to promote historic preservation.

(k) To employ its own staff or hire consultants as may be required in the performance of its duties.

(l) To accept donations from outside sources to be utilized for historic preservation efforts, and to maintain public records accounting for the funds.

(m) To assist in the preparation of a Preservation Plan, which clarifies and elaborates upon these regulations as they apply to the Preservation Zone, and which contains the elements listed in Subsection E 3.

9. Conflict of Interest. No Boardmember shall discuss with anyone the merits of any matter pending before the Board other than during a duly called meeting of the Board or subcommittee of the Board. No member shall accept professional employment on a case that has been acted upon by the Board in the previous 12 months or is reasonably expected to be acted upon by the Board in the next 12 months.

E. Preservation Plan. A Preservation Plan clarifies and elaborates upon these regulations as they apply to individual Preservation Zones. A Preservation Plan is used by the Director, Board, property Owners and residents in the application of preservation principles within a Preservation Zone.

1. Preparation of a Preservation Plan. A draft Preservation Plan shall be made available by the Board for review and comment to property Owners and Renters within the Preservation Zone.

(a) **Creation of a Preservation Plan where a Board exists.** Where established, a Board, with the assistance of the Director, shall prepare a Preservation Plan, which may be prepared with the assistance of historic preservation groups.

(b) **Creation of a Preservation Plan where no Board exists.** Where no Board exists, or has yet to be appointed, the Director, in consultation with the Councilmember(s) representing the Preservation Zone, may create a working committee of diverse neighborhood stakeholders to prepare a Preservation Plan for the Preservation Zone. This committee shall not assume any duties beyond preparation of the Preservation Plan.

2. Approval of a Preservation Plan.

(a) **Commission Hearing and Notice.** A draft Preservation Plan shall be set for a public hearing before the City Planning Commission or a hearing officer as directed by the City Planning Commission prior to the Commission

action. Notice of the hearing shall be given as provided in Section 12.24 D 2 of this Code.

(b) Cultural Heritage Commission Recommendation. The Cultural Heritage Commission shall submit its recommendation regarding a proposed Preservation Plan within 45 days from the date of the submission to the Commission. Upon action, or failure to act, the Cultural Heritage Commission shall transmit its recommendation, comments, and any related files to the City Planning Commission.

(c) Decision by City Planning Commission. Following, notice and public hearing, pursuant to Subsection E 2 (a), above, the City Planning Commission may make its report and approve, approve with changes, or disapprove a Preservation Plan.

3. Elements. A Preservation Plan shall contain the following elements:

(a) A mission statement;

(b) Goals and objectives;

(c) A function of the Plan section, including the role and organization of a Preservation Plan, Historic Preservation Overlay Zone process overview, and work exempted from review, if any, and delegation of Board authority to the Director, if any;

(d) The Historic Resources Survey;

(e) A brief context statement which identifies the Historic, architectural and Cultural significance of the Preservation Zone;

(f) Design guidelines for Rehabilitation or Restoration of single and multi-family residential, commercial and other non-residential buildings, structures, and public areas. The guidelines shall use the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings; and

(g) Preservation incentives and adaptive reuse policies, including policies concerning adaptive reuse projects permitted under Section 12.24 X 12 of this Code.

4. Modification of a City Planning Commission Approved Preservation Plan. After approval by the City Planning Commission, a Preservation Plan shall

be reviewed by the Board at least every two years. Any modifications to the Plan resulting from the review shall be processed pursuant to the provisions of Subsection E, above.

F. Procedures for Establishment, Boundary Change or Repeal of a Preservation Zone.

1. Requirements. The processing of an initiation or an application to establish, change the boundaries of or repeal a Preservation Zone shall conform with all the requirements of Section 12.32 A through D of this Code and the following additional requirements.

2. Initiation of Preservation Zone.

(a) By City Council, the City Planning Commission, the Director of Planning and the Cultural Heritage Commission. In addition to the provisions of LAMC 12.32 A, the Cultural Heritage Commission may initiate proceedings to establish, repeal, or change the boundaries of a Preservation Zone. Upon initiation by City Council, the City Planning Commission, the Director of Planning, or the Cultural Heritage Commission, a Historic Resources Survey shall be prepared, pursuant to Subdivision 3, below.

(b) By Application. The proceedings for the establishment of a Preservation Zone may also be initiated by Owners or Renters of property within the boundaries of the proposed or existing Preservation Zone, pursuant to Section 12.32 S 1 (c)(2) of this Code.

(1) An Historic Resources Survey shall not be prepared for a proposed Preservation Zone until such an application is verified by the Planning Department to contain the signatures of at least 75 percent of the Owners or lessees of property within the proposed district, pursuant to the requirements of Section 12.32 S 1 (c)(2) of this Code.

(2) The application shall not be deemed complete until the requirements of Subsection F 2 (b)(1), above are met and an Historic Resources Survey for the proposed Preservation Zone has been certified by the Cultural Heritage Commission pursuant to Subdivision 4 (a), below.

3. Historic Resources Survey.

(a) Purpose. Each Preservation Zone shall have an Historic Resources Survey, which identifies all Contributing and Non-Contributing Elements and is

certified as to its accuracy and completeness by the Cultural Heritage Commission.

(b) Context Statement. In addition to the requirements above, the historic resource survey shall also include a context statement supporting a finding establishing the relation between the physical environment of the Preservation Zone and its history, thereby allowing the identification of Historic features in the area as contributing or non-contributing. The context statement shall represent the history of the area by theme, place, and time. It shall define the various Historical factors which shaped the development of the area. It shall define a period of significance for the Preservation Zone, and relate Historic features to that period of significance. It may include, but not be limited to, Historical activities or events, associations with Historic personages, architectural styles and movements, master architects, designers, building types, building materials, landscape design, or pattern of physical development that influenced the character of the Preservation Zone at a particular time in history.

(c) Finding of Contribution. For the purposes of this section, no building, structure, Landscaping, or Natural Feature shall be considered a Contributing Element unless it is identified as a Contributing Element in the historic resource survey for the applicable Preservation Zone. Features designated as contributing shall meet one or more of the following criteria:

(1) adds to the Historic architectural qualities or Historic associations for which a property is significant because it was present during the period of significance, and possesses Historic integrity reflecting its character at that time; or

(2) owing to its unique location or singular physical characteristics, represents an established feature of the neighborhood, community or city; or

(3) retaining the building, structure, Landscaping, or Natural Feature, would contribute to the preservation and protection of an Historic place or area of Historic interest in the City.

(d) Modification of a Previously Certified Historic Resources Survey. The City Council, City Planning Commission, or Director may find that a previously certified Historic Resource Survey needs to be modified, and may call for a revision, re-survey, or partial re-survey to a previously certified survey. Modifications, including boundary changes, re-surveys, partial re-surveys, and minor corrections of a previously certified Historic Resources Survey shall be processed as follows:

(1) Revisions involving a boundary change, expansion, or contraction of a Preservation Zone shall be certified by the Cultural Heritage Commission as to the accuracy of the survey, and shall be forwarded to the City Planning Commission and the City Council for final approval.

(2) Revisions involving a re-survey or partial re-survey of an existing Preservation Zone shall be certified by the Cultural Heritage Commission as to the accuracy of the survey, and shall be forwarded to the City Planning Commission for final approval.

(3) The correction of technical errors and omissions in a previously certified Historic Resource Survey can be made by the Director based on input from the Cultural Heritage Commission.

4. Approval Process.

(a) Cultural Heritage Commission Determination. The Cultural Heritage Commission shall certify each Historic Resources Survey as to its accuracy and completeness, and the establishment of or change in boundaries of a Preservation Zone upon (1) a majority vote and (2) a written finding that structures, Landscaping, and Natural Features within the Preservation Zone meet one or more of criteria (1) through (3), inclusive, in Subdivision 3 (c) of Subsection F within 45 days from the date of the submission to the Commission. This time limit may be extended for a specified further time period if the Cultural Heritage Commission requests an extension, in writing, from the City Planning Commission. Upon action, or failure to act, the Cultural Heritage Commission shall transmit their determination, comments, and any related files to the City Planning Commission for recommendation.

(b) City Planning Commission Approval. The City Planning Commission shall make its report and recommendation to approve, approve with changes, or disapprove the consideration to establish, repeal, or change the boundaries of a Preservation Zone, pursuant to Section 12.32 C of this Code. In granting approval, the City Planning Commission shall find that the proposed boundaries are appropriate and make the findings of contribution required in Subsection F 3 (c). The City Planning Commission shall also carefully consider the Historic Resources Survey and the determination of the Cultural Heritage Commission. The Director and the City Planning Commission may recommend conditions to be included in the initial Preservation Plan for a specific Preservation Zone, as appropriate to further the purpose of this section.

(c) City Council. Pursuant to Section 12.32 C 7 of this Code, the City Council may approve or disapprove the establishment, repeal, or change in the boundaries of a Preservation Zone. The City Council may require that a specific Preservation Zone does not take effect until a Preservation Plan for the Preservation Zone is first approved by the City Planning Commission.

G. Review of Projects in Historic Preservation Overlay Zones. All Projects within Preservation Zones, except as exempted in Subsection H, shall be submitted in conjunction with an application, if necessary, to the Department of City Planning upon a form provided for that purpose. Upon receipt of an application, the Director shall review a request and find whether the Project requires a Certificate of Appropriateness, pursuant to Subsection K; a Certificate of Compatibility, pursuant to Subsection L; or is eligible for review under Conforming Work on Contributing Elements, pursuant to Subsection I; or Conforming Work on Non-Contributing Elements, pursuant to Subsection J.

H. Exemptions. The provisions of this ordinance shall not apply to the following:

1. The correction of Emergency or Hazardous Conditions where the Department of Building and Safety, Housing Department, or other enforcement agency has determined that emergency or hazardous conditions currently exist and the emergency or hazardous conditions must be corrected in the interest of the public health, safety and welfare. When feasible, the Department of Building and Safety, Housing Department, or other enforcement agency should consult with the Director on how to correct the hazardous condition, consistent with the goals of the Preservation Zone. However, any other work shall comply with the provisions of this section.

2. Department of Public Works improvements located, in whole or in part, within a Preservation Zone, where the Director finds:

(a) That the certified Historic Resources Survey for the Preservation Zone does not identify any Contributing Elements located within the Right-of-Way and/or where the Right-of-Way is not specifically addressed in the approved Preservation Plan for the Preservation Zone; and

(b) Where the Department of Public Works has completed the CEQA review of the proposed improvement, and the review has determined that the improvement is exempt from CEQA, or will have no potentially significant environmental impacts.

The relevant Board shall be notified of the Project, given a description of the Project, and an opportunity to comment.

3. Work authorized by an approved Historical Property Contract by the City Council, or

4. Where a building, structure, Landscaping, Natural Feature or Lot has been designated as a City Historic-Cultural Monument by the City Council, unless proposed for demolition.

However, those properties with Federal or State historic designation which are not designated as City Historic-Cultural Monuments or do not have a City Historical Property Contract are not exempt from review under this ordinance.

5. Where the type of work has been specifically deemed Exempt from review as set forth in the approved Preservation Plan for a specific Preservation Zone.

I. Conforming Work on Contributing Elements. Conforming Work on Contributing Elements includes Restoration work, Maintenance and Repair, Additions of less than 250 square feet with no increase in height and which are not located within the front yard or street-side yard, and demolition taken in response to natural disaster. Conforming Work meeting the criteria set forth in this subsection shall not require a Certificate of Appropriateness for Contributing Elements pursuant to Subsection K.

1. Procedure. Pursuant to Subsection G, the Director shall forward applications for Conforming Work on Contributing Elements to the Board for conformance review and sign off. The Board may delegate its review authority to the Director of Planning as specified in the Preservation Plan approved for the Preservation Zone.

2. Review Criteria. A request for Conforming Work on Contributing Elements shall be reviewed for conformity with the Preservation Plan for the Preservation Zone, or if none exists, the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings, and at least one of following conditions:

(a) Where the building, structure, Landscaping, or Natural Feature within the Preservation Zone is being restored to its original appearance; or

(b) Where a building, structure, Landscaping, or Natural Feature within a Preservation Zone has been damaged by fire, earthquake or other natural disaster to the extent that it cannot be repaired or restored with reasonable diligence and where demolition of the structure, Landscaping, Natural Feature or Lot is being requested (subject to the provisions of Public Resources Code Section 5028, where applicable);

(c) Where Maintenance or Repair work is undertaken with respect to any building, structure, Landscaping, Natural Feature or lot, or the work does not require the issuance of a building permit, pursuant to Section 91.106.2 of this Code; or

(d) Where the Project consists of an Addition of less than 250 square feet to any building, structure, the Addition is not located within the front yard or street-side yard, and no increase in height is proposed.

3. Time to Act. The Board shall act on the request for Conforming Work on Contributing Elements at its next agendaized Board meeting within 21 days of the Director deeming an application complete, unless the applicant and the Director mutually agree in writing to an extension of time. The applicant may request a transfer of jurisdiction to the Director if the Board fails to act within 21 days. Applications reviewed under Conforming Work shall be agendaized by the Board.

4. Certification. The Board shall review and sign off a request for Conforming Work on Contributing Elements if it finds that the work meets the criteria as set forth in Subdivision 2, above. The Board does not have the authority to impose conditions on Conforming Work. If the Board finds that the work does not meet the criteria, as set forth in Subdivision 2, above, it shall specify in writing as to why.

5. If an application fails to conform to the criteria of Conforming Work on Contributing Elements, an applicant may elect to file for review under the Certificate of Appropriateness procedure pursuant to Subsection K.

J. Conforming Work on Non-Contributing Elements. Conforming Work on Non-Contributing Elements includes work undertaken on any building, structure, Natural Feature, lot, or Landscaping, that is not listed as a Contributing Element in the Historic Resources Survey, or that is not listed in the Historic Resources Survey; except that, the construction of a new building or building replacement, or the demolition of buildings or structures not listed as Contributing Elements shall not qualify as conforming work on Non-Contributing Elements. The relocation of buildings or structures dating from the Preservation Zone's period of significance onto a lot designated as a Non-Contributing Element in a Preservation Zone, are eligible for review under Conforming Work on Non-Contributors.

1. Procedure. Pursuant to Subsection G, the Director shall forward applications for Conforming Work on Non-Contributing Elements to the Board for conformance review and sign off. The Board may delegate its review authority to the Director as specified in the Preservation Plan approved for the Preservation Zone.

2. Review Criteria. A request for Conforming Work on Non-Contributing Elements shall be signed off by the Board if they find: the work involves the relocation of buildings or structures dating from the Preservation Zone's period of significance onto a lot in the Preservation Zone; or the work is undertaken solely on a feature within the Preservation Zone that is identified as Non-Contributing in the Historic Resources Survey, or not listed in the Historic Resources Survey, and the work does not involve the construction of a new building, building replacement or demolition.

3. Time to Act. The Board shall act on a request for Conforming Work on Non-Contributing Elements at its next agendaized Board meeting within 21 days of the Director deeming an application complete, unless the applicant and the Director mutually agree in writing to an extension of time. The applicant may request a transfer of jurisdiction to the Director if the Board fails to act within the specified time. Applications reviewed under Conforming Work shall be agendaized by the Board.

4. Certification. The Board shall review and sign off a request for Conforming Work on Non-Contributing Elements if it finds that the work meets the criteria as set forth in Subdivision 2, above. The Board does not have the authority to impose conditions on Conforming Work. If the Board finds that the work does not meet the criteria, as set forth in Subdivision 2, above, it shall specify in writing as to why.

5. If an application fails to conform to the criteria of Conforming Work on Non-Contributing Elements, an applicant may elect to file for review under the Certificate of Compatibility procedure pursuant to Subsection L.

K. Certificate of Appropriateness for Contributing Elements.

1. Purpose. It is the intent of this section to require the issuance of a Certificate of Appropriateness for any Project affecting a Contributing Element, except as set forth in Subdivision 2(b), below. It is the further intent of this section to require a Certificate of Appropriateness for some Projects which may, or may not, require a building permit, including, but not limited to, changing exterior paint color, removal of significant trees or Landscaping, installation or removal of fencing, window and door replacement which are character-defining features of architectural styles, changes to public spaces and similar Projects. However, an applicant not approved under Subsection I may elect to file for a Certificate of Appropriateness.

2. Requirements.

(a) Prohibition. No person shall construct, add to, alter, demolish, relocate or remove any building, structure, Landscaping, or Natural Feature designated as contributing in the Historic Resources Survey for a Preservation Zone unless a Certificate of Appropriateness has been approved for that action pursuant to this section, with the exception of Conforming Work on Contributing Elements, which shall not require a Certificate of Appropriateness. No Certificate of Appropriateness shall be approved unless the plans for the construction, demolition, Alteration, Addition, relocation, or removal conform with the provisions of this section. Any approval, conditional approval, or denial shall include written findings in support.

(b) Conforming Work. Nothing in this section shall be construed as to require a Certificate of Appropriateness for the ordinary Maintenance and Repair of any exterior architectural feature of a property within a Preservation Zone, which does not involve a change in design, material, color, or outward appearance. Work meeting the criteria for Conforming Work on Contributing Elements shall not require a Certificate of Appropriateness.

3. Procedures For Obtaining A Certificate of Appropriateness.

(a) Any plan for the construction, Addition, Alteration, demolition, Reconstruction, relocation or removal of a building, structure, Landscaping, or Natural Feature, or any combination designated as contributing in the Historic Resources Survey for a Preservation Zone shall be submitted, in conjunction with an application, to the Department of City Planning upon a form provided for that purpose. Upon an application being deemed complete by the Director, one copy each of the application and relevant documents shall be mailed by the Department of City Planning to both the Cultural Heritage Commission and to each Boardmember for the Preservation Zone for evaluation.

(b) Cultural Heritage Commission and Board Recommendations. After notice and hearing pursuant to Subsection M below, the Cultural Heritage Commission and the Board shall submit its recommendation to the Director as to whether the Certificate should be approved, conditionally approved or disapproved. In the event that the Cultural Heritage Commission or Board does not submit its recommendations within 30 days of the postmarked date of mailing of the application from the City Planning Department, the Cultural Heritage Commission or Board shall be deemed to have forfeited all jurisdiction in the matter and the Certificate may be approved, conditionally approved or disapproved as filed. The applicant and the Director may mutually agree in writing to a longer period of time for the Board to act.

(c) Director and Area Planning Commission Determination. The Director shall have the authority to approve, conditionally approve or disapprove a Certificate of Appropriateness for construction, Addition, Alteration or Reconstruction. The Area Planning Commissions shall have the jurisdiction to approve, conditionally approve or disapprove a Certificate of Appropriateness for demolition, removal or relocation.

(d) Time to Act. The Director or Area Planning Commission, whichever has jurisdiction, shall render a determination on any Certificate of Appropriateness within 75 days of an application being deemed complete, unless the applicant and the Director mutually consent in writing to a longer period. A copy of the determination shall be mailed to the applicant, the Board, the Cultural Heritage Commission and any other interested parties. No Certificate of Appropriateness shall be issued until the appeal period, as set forth in Subsection N has expired or until any appeal has been resolved.

(e) Other City approvals. The requirements for a Certificate of Appropriateness are in Addition to other City approvals (building permits, variances, *etc.*) or other legal requirements, such as Public Resources Code Section 5028, which may be required. The time periods specified above may be extended if necessary with the written mutual consent of the applicant and the Director.

4. Standards for Issuance of Certificate of Appropriateness for Construction, Addition, Alteration, or Reconstruction. The Director shall base a determination whether to approve, conditionally approve or disapprove a Certificate of Appropriateness for construction, Addition, Alteration or Reconstruction on each of the following:

(a) If no Preservation Plan exists; whether the Project complies with Standards for Rehabilitation approved by the United States Secretary of the Interior considering the following factors:

- (1)** architectural design;
- (2)** height, bulk, and massing of buildings and structures;
- (3)** lot coverage and orientation of buildings;
- (4)** color and texture of surface materials;
- (5)** grading and site development;

- (6) Landscaping;
- (7) changes to Natural Features;
- (8) antennas, satellite dishes and solar collectors;
- (9) off-street parking;
- (10) light fixtures and street furniture;
- (11) steps, walls, fencing, doors, windows, screens and security grills;
- (12) yards and setbacks; or
- (13) signs; and

(b) Whether the Project protects and preserves the Historic and architectural qualities and the physical characteristics which make the building, structure, landscape, or Natural Feature a Contributing Element of the Preservation Zone; or

(c) If a Preservation Plan exists; whether the Project complies with the Preservation Plan approved by the City Planning Commission for the Preservation Zone.

5. Standards for Issuance of Certificate of Appropriateness for Demolition, Removal or Relocation. Any person proposing to demolish, remove or relocate any contributing building, structure, Landscaping, or Natural Feature within a Preservation Zone not qualifying as Conforming Work on Contributing Elements shall apply for a Certificate of Appropriateness and the appropriate environmental review.

No Certificate of Appropriateness shall be issued to demolish, remove or relocate any building, structure, Landscaping, Natural Feature or Lot within a Preservation Zone that is designated as a Contributing Element and the application shall be denied unless the Owner can demonstrate to the Area Planning Commission that the Owner would be deprived of all economically viable use of the property. In making its determination, the Area Planning Commission shall consider any evidence presented concerning the following:

(a) An opinion regarding the structural soundness of the structure and its suitability for continued use, renovation, Restoration or Rehabilitation from a

licensed engineer or architect who meets the Secretary of the Interior's Professional Qualification Standards as established by the Code of Federal Regulation, 36 CFR Part 61. This opinion shall be based on the Secretary of the Interior's Standards for Architectural and Engineering Documentation with Guidelines;

(b) An estimate of the cost of the proposed Alteration, construction, demolition, or removal and an estimate of any additional cost that would be incurred to comply with the recommendation of the Board for changes necessary for it to be approved;

(c) An estimate of the market value of the property in its current condition; after completion of the proposed Alteration, construction, demolition, or removal; after any expenditure necessary to comply with the recommendation of the Board for changes necessary for the Area Planning Commission to approve a Certificate of Appropriateness; and, in the case of a proposed demolition, after renovation of the existing structure for continued use;

(d) In the case of a proposed demolition, an estimate from architects, developers, real estate consultants, appraisers, or other real estate professionals experienced in Rehabilitation as to the economic feasibility of Restoration, renovation or Rehabilitation of any existing structure or objects. This shall include tax incentives and any special funding sources, or government incentives which may be available.

L. Certificate of Compatibility for Non-Contributing Elements.

1. Purpose. The construction of a new building or structure on a lot designated as a Non-Contributing Element, the replacement of existing Non-Contributing Elements, the relocation of buildings or structures not dating from the Preservation Zone's period of significance onto a lot designated as a Non-Contributing Element, and the demolition of any building or structure on a lot designated as a Non-Contributing Element, shall require a Certificate of Compatibility to assure compatibility with the character of the Preservation Zone and to assure that the construction or demolition work is undertaken in a manner that does not impair the essential form and integrity of the Historic character of its environment. An applicant not approved under Subsection J may elect to file for a Certificate of Compatibility.

Other types of work solely involving Non-Contributing Elements, including the relocation of buildings or structures dating from the Preservation Zone's period of significance onto a lot designated as a Non-Contributing Element, are eligible for review under Conforming Work on Non-Contributors as set forth in

Subsection J. The Director shall review a request, pursuant to Subsection G and find whether the application is eligible for Conforming Work on Non-Contributors as outlined in Subsection J or requires a Certificate of Compatibility.

2. Prohibition. No person shall construct a new building or structure on a lot designated as a Non-Contributing Element, replace any existing building or structure designated as a Non-Contributing Element or not listed in the Historic Resources Survey for the Preservation Zone or demolish any building or structure on a lot designated as a Non-Contributing Element unless a Certificate of Compatibility has been approved for that action pursuant to this section. No Certificate of Compatibility shall be approved unless the plans for construction, replacement or demolition conforms with the provisions of this section. Any approval, conditional approval, or denial shall include written findings in support.

3. Procedures For Obtaining A Certificate of Compatibility.

(a) Any plan for the construction of a new building or structure on a lot designated as a Non-Contributing Element, the replacement of existing Non-Contributing Elements, the relocation of buildings or structures not dating from the Preservation Zone's period of significance onto a lot designated as a Non-Contributing Element, or the demolition of any building or structure on a lot designated as a Non-Contributing Element, shall be submitted, in conjunction with an application, to the Department of City Planning upon a form provided for that purpose. Upon an application being deemed complete by the Director, one copy of the application and relevant documents shall be mailed by the Department of City Planning to each Boardmember of the Preservation Zone for evaluation.

(b) **Board Recommendation.** After notice and hearing pursuant to Subsection M below, the Board shall submit its recommendation to the Director as to whether the Certificate of Compatibility should be approved, conditionally approved, or disapproved within 30 days of the postmarked date of mailing of the application from the City Planning Department. In the event the Board does not submit its recommendation within 30 days, the Board shall forfeit all jurisdiction. The applicant and the Director may mutually agree in writing to a longer period of time for the Board to act.

(c) **Director Determination.** The Director shall have the authority to approve, conditionally approve or disapprove a Certificate of Compatibility for the construction of a new building or structure on a lot designated as a Non-Contributing Element, the replacement of existing Non-Contributing Elements, the relocation of buildings or structures not dating from the

Preservation Zone's period of significance onto a lot designated as a Non-Contributing Element, or the demolition of any building or structure on a lot designated as a Non-Contributing Element.

(d) Time to Act. The Director shall render a determination on a Certificate of Compatibility within 75 days of an application being deemed complete, unless the applicant and the Director mutually consent in writing to a longer period. A copy of the determination shall be mailed to the applicant, the Board, and any other interested parties. No Certificate of Compatibility shall be issued until the appeal period, as set forth in Subsection N, has expired or until any appeal has been resolved.

(e) Other City approvals. The requirements for a Certificate of Compatibility are in addition to other City approvals (building permits, variances, *etc.*) and other legal requirements, such as Public Resources Code Section 5028, which may be required. The time periods specified above may be extended if necessary with the written mutual consent of the applicant and the Director.

4. Standards for Issuance of Certificate of Compatibility for New Building Construction or Replacement, and the Relocation of Buildings or Structures Not Dating from the Preservation Zone's Period of Significance Onto a Lot Designated as a Non-Contributing Element. The Director shall base a determination whether to approve, conditionally approve or disapprove a Certificate of Compatibility on each of the following:

(a) If no Preservation Plan exists; whether the following aspects of the Project do not impair the essential form and integrity of the Historic character of its surrounding built environment, considering the following factors;

- (1)** architectural design;
- (2)** height, bulk, and massing of buildings and structures;
- (3)** lot coverage and orientation of buildings;
- (4)** color and texture of surface materials;
- (5)** grading and lot development;
- (6)** Landscaping;
- (7)** changes to Natural Features;

- (8) steps, walls, fencing, doors, windows, screens, and security grills;
- (9) yards and setbacks;
- (10) off street parking;
- (11) light fixtures and street furniture;
- (12) antennas, satellite dishes and solar collectors; or
- (13) signs.

New construction shall not destroy Historic features or materials that characterize the property. The design of new construction shall subtly differentiate the new construction from the surrounding Historic built fabric, and shall be contextually compatible with the massing, size, scale, and architectural features of nearby structures in the Preservation Zone; or

(b) whether the Project complies with the Preservation Plan approved by the City Planning Commission for the Preservation Zone.

5. Certificates of Compatibility for the Demolition of Non-Contributing Elements. After notice and hearing pursuant to Subsection M below, the Board shall submit its comments on a request to demolish a Non-Contributing Element, considering the impact(s) of the demolition of the Non-Contributing Element to the essential form and integrity of the Historic character of its surrounding built environment within 30 days of the postmarked date of mailing of the application from the City Planning Department. In the event the Board does not submit its comment within 30 days, the Board shall forfeit all jurisdiction. The applicant and the Director may mutually agree in writing to a longer period of time for the Board to comment.

M. Notice and Public Hearing. Before making its recommendation to approve, conditionally approve or disapprove an application pursuant to this section for a Certificate of Appropriateness or Certificate of Compatibility, the Board shall hold a public hearing on the matter. The applicant shall notify the Owners and occupants of all properties abutting, across the street or alley from, or having a common corner with the subject property at least ten days prior to the date of the hearing. Notice of the public hearing shall be posted by the applicant in a conspicuous place on the subject property at least ten days prior to the date of the public hearing.

(1) A copy of the Board's recommendation pursuant to Subsection K 3 (b) regarding a Certificate of Appropriateness or Subsection L 3 (b) regarding a Certificate of Compatibility shall be sent to the Director.

(2) A copy of the final determination by the Director, or Area Planning Commission shall be mailed to the Board, to the Cultural Heritage Commission, to the applicant, and to other interested parties.

N. Appeals. For any application for a Certificate of Appropriateness pursuant to Subsection K or a Certificate of Compatibility pursuant to Subsection L, the action of the Director or the Area Planning Commission shall be deemed to be final unless appealed. No Certificate of Appropriateness or Certificate of Compatibility, shall be deemed approved or issued until the time period for appeal has expired.

(1) An initial decision of the Director is appealable to the Area Planning Commission.

(2) An initial decision by the Area Planning Commission is appealable to the City Council.

An appeal may be filed by the applicant or any aggrieved party. An appeal may also be filed by the Mayor or a member of the City Council. Unless a Board member is an applicant, he or she may not appeal any initial decision of the Director or Area Planning Commission as it pertains to this section. An appeal shall be filed at the public counter of the Planning Department within 15 days of the date of the decision to approve, conditionally approve, or disapprove the application for Certificate of Appropriateness or Certificate of Compatibility. The appeal shall set forth specifically how the petitioner believes the findings and decision are in error. An appeal shall be filed in triplicate, and the Planning Department shall forward a copy to the Board and the Cultural Heritage Commission. The appellate body may grant, conditionally grant or deny the appeal. Before acting on any appeal, the appellate body shall set the matter for hearing, giving a minimum of 15 days notice to the applicant, the appellant, the Cultural Heritage Commission, the relevant Board and any other interested parties of record. The failure of the appellate body to act upon an appeal within 75 days after the expiration of the appeal period or within an additional period as may be agreed upon by the applicant and the appellate body shall be deemed a denial of the appeal and the original action on the matter shall become final.

O. Authority of Cultural Heritage Commission not Affected. Notwithstanding any provisions of this section, nothing here shall be construed as superseding or overriding the Cultural Heritage Commission's authority as provided in Los Angeles Administrative Code Sections 22.132 and 22.133.

P. Publicly Owned Property. The provisions of this section shall apply to any building, structure, Landscaping, Natural Feature or lot within a Preservation Zone which is owned or leased by a public entity to the extent permitted by law.

Q. Enforcement. The Department of Building and Safety, the Housing Department, or any successor agencies, whichever has jurisdiction, shall make all inspections of properties which are in violation of this section when apprized that work has been done or is required to be done pursuant to a building permit. Violations, the correction of which do not require a building permit, shall be investigated and resolved jointly by the Planning Department, the Department of Building and Safety, the Housing Department, or any successor agencies, whichever has jurisdiction, and if a violation is found, the Planning Department may then request the Department of Building and Safety, the Housing Department or any successor agencies to issue appropriate orders for compliance. Any person who has failed to comply with the provisions of this section shall be subject to the provisions of Section 11.00 (m) of this Code. The Owner of the property in violation shall be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

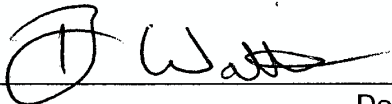
R. Injunctive Relief. Where it appears that the Owner, occupant or person in charge of a building, structure, Landscaping, Natural Feature, lot or area within a Preservation Zone threatens, permits, is about to do or is doing any work or activity in violation of this section, the City Attorney may forthwith apply to an appropriate court for a temporary restraining order, preliminary or permanent injunction, or other or further relief as appears appropriate.

S. Termination. Any Certificate of Appropriateness, Certificate of Compatibility, or Conforming Work which has been approved under the provisions of this section shall expire 24 months from the date of issuance if the work authorized is not commenced within this time period. Further, the Certificate of Appropriateness, Certificate of Compatibility, or Conforming Work will expire if the work authorized is not completed within five years of the date of issuance.

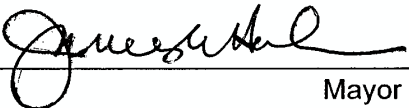
Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located in the Main Street lobby to the City Hall; one copy on the bulletin board located at the ground level at the Los Angeles Street entrance to the Los Angeles Police Department; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of MAR 19 2004.

J. MICHAEL CAREY, City Clerk


By 
Deputy

Approved MAR 30 2004


Mayor

Approved as to Form and Legality

Rockard J. Delgadillo, City Attorney

By 
SHARON SIEDORF CARDENAS
Assistant City Attorney

Date MAR 03 2004

Pursuant to Charter Section 559, I approve this ordinance on behalf of the City Planning Commission and recommend it be adopted

February 27, 2004

see attached report.


CON HOWARD
Director of Planning

File No(s). CF 02-0926; CPC 2003-1501 CA

DECLARATION OF POSTING ORDINANCE

I, MARIA C. RICO, state as follows: I am, and was at all times hereinafter mentioned, a resident of the State of California, over the age of eighteen years, and a Deputy City Clerk of the City of Los Angeles, California.

Ordinance No. 175891 - Amending Section 12.20.3 of the L.A.M.C. to modify procedures within the Historic Preservation Overlay Zones - CPC 2003-1501 CA - a copy of which is hereto attached, was finally adopted by the Los Angeles City Council on March 19, 2004, and under the direction of said City Council and the City Clerk, pursuant to Section 251 of the Charter of the City of Los Angeles and Ordinance No. 172959, on April 2, 2004, I posted a true copy of said ordinance at each of three public places located in the City of Los Angeles, California, as follows: 1) One copy on the bulletin board at the Main Street entrance to Los Angeles City Hall; 2) one copy on the bulletin board at the ground level Los Angeles Street entrance to the Los Angeles Police Department; and 3) one copy on the bulletin board at the Temple Street entrance to the Hall of Records of the County of Los Angeles.

Copies of said ordinance were posted conspicuously beginning on April 2, 2004 and will be continuously posted for ten or more days.

I declare under penalty of perjury that the foregoing is true and correct.

Signed this 2nd day of April 2004 at Los Angeles, California.


Maria C. Rico, Deputy City Clerk

Ordinance Effective Date: May 12, 2004 Council File No. 02-0926

(Rev. 3/21/03)

Appendix VI

Staples Center Community Benefits Agreement

ATTACHMENT A COMMUNITY BENEFITS PROGRAM

I. PURPOSE

The purpose of this Community Benefits Program for the Los Angeles Sports and Entertainment District Project is to provide for a coordinated effort between the Coalition and the Developer to maximize the benefits of the Project to the Figueroa Corridor community. This Community Benefits Program is agreed to by the Parties in connection with, and as a result of, the Cooperation Agreement to which it is attached. This Community Benefits Program will provide publicly accessible park space, open space, and recreational facilities; target employment opportunities to residents in the vicinity of the Figueroa Corridor; provide permanent affordable housing; provide basic services needed by the Figueroa Corridor community; and address issues of traffic, parking, and public safety.

II. DEFINITIONS

As used in this Community Benefits Program, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form. Any capitalized terms not specifically defined in this Attachment A shall have the meanings as set forth in the Settlement Agreement.

“Agency” shall mean the Community Redevelopment Agency of the City of Los Angeles.

“City” shall mean the City of Los Angeles.

“Coalition” shall have the meaning set forth in the Cooperation Agreement.

“Contractor” shall mean a prime contractor, a subcontractor, or any other business entering into a contract with the Developer related to the use, maintenance, or operation of the Project or part thereof. The term Contractor shall not include Tenants.

“Cooperation Agreement” shall mean the Cooperation Agreement entered into between the Developer and the Coalition on May 29, 2001.

“Developer” shall mean the corporations entitled the L.A. Arena Land Company and Flower Holdings, LLC.

“Needs Assessment” shall have the meaning set forth in Section III.C.1.

“Project” shall have the meaning set forth in the Cooperation Agreement.

“Tenant” shall mean a person or entity that conducts any portion of its operations within the Project, such as a tenant leasing commercial space within the Project, or an entity that has acquired a fee simple interest from the Developer for the purpose of developing a portion of the Project. “Tenant” does not include Contractors and agents of the Developer.

Tenant shall exclude any tenant of a residential dwelling unit, any guest or other client of any hotel and any governmental entity.

III. PARKS AND RECREATION

A. PURPOSE. The purpose of this Section is to help address the deficit of park space in the Figueroa Corridor community. The Figueroa Corridor contains less than a quarter of the park space acreage required by the City. The park construction efforts under this Section will help address this deficit, providing a measurable and lasting benefit to the Figueroa Corridor community.

B. QUIMBY FEES. Developer agrees to pay all fees required by the Los Angeles Municipal Code, Chapter I, Article 7, Section 17.12, “park and recreation site acquisition and development provisions,” subject to offsetting credits as allowed by that section and/or state law and approved by the city. The Coalition shall support Developer’s application for Quimby credit under this section, provided that Developer’s applications for credits are based on publicly accessible space and facilities.

C. PARKS AND OPEN SPACE NEEDS ASSESSMENT.

1. **Needs Assessment.** The Developer will fund an assessment of the need for parks, open space, and recreational facilities in the area bounded by the following streets: Beverly Boulevard and the 101 freeway (north boundary); Western Avenue (west boundary); Vernon Avenue (south boundary); and Alameda Street (east boundary). Developer will commence fulfillment of its responsibilities under this section III.C within 90 days after enactment by the Los Angeles City Council of a development agreement ordinance for the Project.

2. **Funding.** Developer will fund the Needs Assessment in an amount between \$50,000 and \$75,000, unless the Coalition consents to the Developer funding the Needs Assessment in an amount less than \$50,000.

3. **Selection of organization conducting needs assessment.** The Needs Assessment will be conducted by a qualified organization agreed upon by both the Developer and the Coalition, and paid an amount consistent with Section III.C.2, above. The Developer and the Coalition may enlist other mutually agreed upon organizations to assist in conducting the Needs Assessment.

D. PARK AND RECREATION FACILITY CREATION BY DEVELOPER.

1. **Park and recreation facility creation.** Following the completion of the needs assessment, the Developer shall fund or cause to be privately funded at least one million dollars (\$1,000,000) for the creation or improvement of one or more parks and recreation facilities, including but not limited to land acquisition, park design, and construction, within a one-mile radius of the Project, in a manner consistent with the results of the Needs Assessment. By mutual agreement of the Coalition and the Developer, this one-mile radius may be increased. Each park or recreation facility created pursuant to this agreement shall be open to the public and free of charge. Developer shall have no responsibility for operation or

maintenance of any park and recreation facility created or improved pursuant to this agreement. Developer after consultation with the Coalition shall select the location of park and recreation facilities to be created or improved. Park and recreation facilities shall be created or improved in a manner such that a responsible entity shall own, operate, and maintain such facilities. Each park created or improved pursuant to this agreement shall include active recreation components such as playgrounds and playing fields, and shall also include permanent improvements and features recommended by the Needs Assessment, such as restroom facilities, drinking fountains, park benches, patio structures, barbecue facilities, and picnic tables. Recreation facilities created pursuant to this Section should to the extent appropriate provide opportunities for physical recreation appropriate for all ages and physical ability levels.

2. **Timeline.** The park and recreation facilities created or improved pursuant to this agreement shall be completed within five years of completion of the Needs Assessment. At least \$800,000 of the funds described in Section III.D.1, above, shall be spent within four years of completion of the Needs Assessment.

E. OPEN SPACE COMPONENTS OF DEVELOPMENT.

1. **Street-level plaza.** The Project will include a street-level plaza of approximately one-acre in size and open to the public.

2. **Other public spaces.** The Project will include several publicly-accessible open spaces, such as plazas, paseos, walkways, terraces, and lawns.

IV. COMMUNITY PROTECTION

A. PARKING PROGRAM. The Developer shall assist the Coalition with the establishment of a residential permit parking program as set forth below.

1. **Permit Area.** The area initially designated as part of the Parking Program is generally bounded by James Wood Drive on the north, Byram and Georgia Streets on the west, Olympic Boulevard on the south and Francisco on the east. The permit area may be adjusted from time to time by mutual agreement of the Developer and the Coalition or upon action by the City determining the actual boundaries of a residential parking district in the vicinity of the Project.

2. **Developer Support.** The Developer shall support the Coalition's efforts to establish the parking program in the permit area by requesting the City to establish a residential permit parking district through a letter to City Council members and City staff, testimony before the City Council or appropriate Boards of Commissioners, and through technical assistance which reasonably may be provided by Developer's consultants.

To defray the parking program's costs to residents of the permit area, the Developer shall provide funding of up to \$25,000 per year for five years toward the cost of developing and implementing the parking program within the permit area. Such funding shall be provided to the City.

3. **Limitations.** The Coalition understands, acknowledges and hereby agrees that the City's determination of whether to establish a residential permit parking district and the boundaries thereof are within the City's sole discretion. The Developer is not liable for any action or inaction on the part of the City as to establishment of a residential permit parking district or for the boundaries thereof. The Coalition understands, acknowledges and hereby agrees that the total annual aggregate cost of a residential permit parking district may exceed \$25,000 per year and that in such event, the Developer shall have no liability for any amounts in excess of \$25,000 per year for five years.

B. TRAFFIC. The Developer in consultation with the Coalition shall establish a traffic liaison to assist the Figueroa Corridor community with traffic issues related to the Project.

C. SECURITY. The Developer shall encourage the South Park Western Gateway Business Improvement District to address issues of trash disposal and community safety in the residential areas surrounding the Project. The Developer shall request the BID to provide additional trash receptacles in the vicinity of the Project, including receptacles located in nearby residential areas.

V. LIVING WAGE PROGRAM

A. DEVELOPER RESPONSIBILITIES REGARDING LIVING WAGES.

1. **Compliance With Living Wage Ordinance.** The Developer, Tenants, and Contractors shall comply with the City's Living Wage Ordinance, set forth in the Los Angeles Administrative Code, Section 10.37, to the extent such ordinance is applicable.

2. **Seventy Percent Living Wage Goal.** The Developer shall make all reasonable efforts to maximize the number of living wage jobs in the Project. The Developer and the Coalition agree to a Living Wage Goal of maintaining 70% of the jobs in the Project as living wage jobs. The Developer and the Coalition agree that this is a reasonable goal in light of all of the circumstances. Achievement of the Living Wage Goal shall be measured five years and ten years from the date of this Agreement. In the event that actual performance is less than 80% of the goal for two consecutive years, Developer shall meet and confer with the Coalition at the end of such two year period to determine mutually agreeable additional steps which can and will be taken to meet the Living Wage Goal.

3. **Achievement of Living Wage Goal.** For purposes of determining the percentage of living wage jobs in the Project, the following jobs shall be considered living wage jobs:

- !" jobs covered by the City's Living Wage Ordinance;
- !" jobs for which the employee is paid on a salaried basis at least \$16,057.60 per year if the employee is provided with

employer-sponsored health insurance, or \$18.657.60 per year otherwise (these amounts will be adjusted in concert with cost-of-living adjustments to wages required under the City's Living Wage Ordinance);

!" jobs for which the employee is paid at least \$7.72 per hour if the worker is provided with employer-sponsored health insurance, or \$8.97 per hour otherwise (these amounts will be adjusted in concert with cost-of-living adjustments to wages required under the City's Living Wage Ordinance); and

!" jobs covered by a collective bargaining agreement.

The percentage of living wage jobs in the Project will be calculated as the number of on-site jobs falling into any of the above four categories, divided by the total number of on-site jobs. The resulting number will be compared to the Living Wage Goal to determine whether the Living Wage Goal has been achieved.

4. **Developer Compliance If Goal Not Met.** Whether or not the Living Wage Goal is being met at the five- and ten-year points, the Developer shall be considered to be in compliance with this Section if it is in compliance with the remaining provisions of this Section.

5. **Reporting Requirements.** The Developer will provide an annual report to the City Council's Community and Economic Development Committee on the percentage of jobs in the Project that are living wage jobs. The report will contain project-wide data as well as data regarding each employer in the Project. Data regarding particular employers will not include precise salaries; rather, such data will only include the number of jobs and the percentage of these jobs that are living wage jobs, as defined in Section V.A.3, above. If the report indicates that the Living Wage Goal is not being met, the Developer will include as part of the report a discussion of the reasons why that is the case. In compiling this report, Developer shall be entitled to rely on information provided by Tenants and Contractors, without responsibility to perform independent investigation. This report shall be filed for any given year or partial year by April 30th of the succeeding year.

6. **Selection of Tenants.**

a. **Developer Notifies Coalition Before Selecting Tenants.** At least 45 days before signing any lease agreement or other contract for space within the Project, the Developer shall notify the Coalition that the Developer is considering entering into such lease or contract, shall notify the Coalition of the identity of the prospective Tenant, and shall, if the Coalition so requests, meet with the Coalition regarding the prospective Tenant's impact on the 70% living wage goal. If exigent circumstances so

require, notice may be given less than 45 days prior to signing such a lease agreement or other contract; however, in such cases the Developer shall at the earliest possible date give the Coalition notice of the identity of the prospective Tenant, and, if the Coalition requests a meeting, the meeting shall occur on the earliest possible date and shall in any event occur prior to the signing of the lease agreement or other contract.

b. **Coalition Meeting with Prospective Tenants.** At least 30 days before signing a lease agreement or other contract for space within the Proposed Development, the Developer will arrange and attend a meeting between the Coalition and the prospective Tenant, if the Coalition so requests. At such a meeting, the Coalition and the Developer will discuss with the prospective Tenant the Living Wage Incentive Program and the Health Insurance Trust Fund, and will assist the Coalition in encouraging participation in these programs. If exigent circumstances so require, such a meeting may occur less than 30 days prior to the signing of a lease agreement; however, in such cases the meeting shall be scheduled to occur on the earliest possible date and shall in any event occur prior to the signing of the lease agreement or other contract. The Developer will not enter into a lease agreement with any prospective Tenant that has not offered to meet with the Coalition and the Developer regarding these issues prior to signing of the lease.

c. **Consideration of Impact on Living Wage Goal.** When choosing between prospective Tenants for a particular space within the Project, the Developer will, within commercially reasonable limits, take into account as a substantial factor each prospective Tenant's potential impact on achievement of the Living Wage Goal.

d. **Tenants Agree to Reporting Requirements.** Tenants are not required to participate in the Living Wage Incentive Program or the Health Insurance Trust Fund. However, all Tenants in the Project shall make annual reports as set forth in Section V.B.3, below. The Developer will include these reporting requirements as a material term of all lease agreements or other contracts for space within the Project.

B. TENANTS' OPPORTUNITIES AND RESPONSIBILITIES.

1. **Living Wage Incentive Program.** All Tenants will be offered the opportunity to participate in a Living Wage Incentive Program. Tenants are not required to participate in this program, but may choose to participate. Under the Living Wage Incentive Program, Tenants providing living wage jobs may receive various benefits of substantial economic value. The Coalition, the Developer, and the City will collaborate to structure a set of incentives, at no cost to the Developer, to assist the Project in meeting the Living Wage Goal. The Living Wage Incentive Program shall be described in a simple and accessible written format suitable for presentation to prospective Tenants. The Coalition, working collaboratively with the Developer, shall seek funding from governmental and

private sources to support the incentives and benefits provided in the Living Wage Incentive Program.

2. **Health Insurance Trust Fund.** All Tenants will be offered the opportunity to participate in the Health Insurance Trust Fund. Tenants are not required to participate in this program, but may choose to participate. The Health Insurance Trust Fund, still being established by the City, will provide Tenants with a low-cost method of providing employees with basic health insurance.

3. **Reporting Requirements.** Each Tenant in the Project must annually report to the Developer its number of on-site jobs, the percentage of these jobs that are living wage jobs, and the percentage of these jobs for which employees are provided health insurance by the Tenant. Tenants need not include precise salaries in such reports; rather, with regard to wages, Tenants need only include the number of jobs and the percentage of these jobs that are living wage jobs, as defined in Section V.A.3, above. Such reports shall be filed for any given year or partial year by January 31st of the succeeding year.

C. **TERM.** All provisions and requirements of this Section shall terminate and become ineffective for each Tenant ten years from the date of that Tenant's first annual report submitted pursuant to Section V.B.3, above.

VI. LOCAL HIRING AND JOB TRAINING

A. **PURPOSE.** The purpose of this Section is to facilitate the customized training and employment of targeted job applicants in the Project. Targeted job applicants include, among others, individuals whose residence or place of employment has been displaced by the STAPLES Center project, low-income individuals living within a three-mile radius of the Project, and individuals living in low-income areas throughout the City. This Section (1) establishes a mechanism whereby targeted job applicants will receive job training in the precise skills requested by employers in the Project, and (2) establishes a non-exclusive system for referral of targeted job applicants to employers in the Project as jobs become available.

B. **CUSTOMIZED JOB TRAINING PROGRAM.** The First Source Referral System, described below, will coordinate job training programs with appropriate community-based job training organizations. Prior to hiring for living wage jobs within the Project, employers may request specialized job training for applicants they intend to hire, tailored to the employers' particular needs, by contacting the First Source Referral System. The First Source Referral System will then work with appropriate community-based job training organizations to ensure that these applicants are provided with the requested training.

C. **FIRST SOURCE HIRING POLICY.** Through the First Source Hiring Policy, attached hereto as attachment No. 1, qualified individuals who are targeted for employment opportunities as set forth in Section IV.D of the First Source Hiring Policy will have the opportunity to interview for job openings in the Project. The Developer, Contractors, and Tenants shall participate in the First Source Hiring Policy, attached

hereto as Attachment No. 1. Under the First Source Hiring Policy, the First Source Referral System will promptly refer qualified, trained applicants to employers for available jobs. The Developer, Contractors, and Tenants shall have no responsibility to provide notice of job openings to the First Source Referral System if the First Source Referral System is not fulfilling its obligations under the First Source Hiring Policy. The terms of the First Source Hiring Policy shall be part of any deed, lease, or contract with any prospective Tenant or Contractor.

D. FIRST SOURCE REFERRAL SYSTEM. The First Source Referral System, to be established through a joint effort of the Developer and the Coalition, will work with employers and with appropriate community-based job training organizations to provide the referrals described in this Section. The Coalition and the Developer will select a mutually agreeable nonprofit organization to staff and operate the First Source Referral System, as described in the First Source Hiring Policy. The Developer will provide \$100,000 in seed funding to this organization. The Developer will meet and confer with the Coalition regarding the possibility of providing space on site for the First Source Referral System, for the convenience of Tenants and job applicants; provided, however, the Developer may in its sole and absolute discretion determine whether or on what terms it would be willing to provide space for the First Source Referral System. If the First Source Referral System becomes defunct, Employers shall have no responsibility to contact it with regard to job opportunities.

VII. SERVICE WORKER RETENTION

A. SERVICE CONTRACTOR WORKER RETENTION. The Developer and its Contractors shall follow the City's Worker Retention Policy as set forth in the Los Angeles Administrative Code, Section 10.36. The City's Worker Retention Policy does not cover individuals who are managerial or supervisory employees, or who are required to possess an occupational license.

B. WORKER RETENTION FOR HOTEL AND THEATER EMPLOYEES. The Developer agrees that Tenants in hotel and theater components of the Project will follow the City's Worker Retention Policy with regard to all employees, and will require contractors to do the same. The Developer will include these requirements as material terms of all lease agreements or other contracts regarding hotel and/or theater components of the Project.

C. INCLUSION IN CONTRACTS. The Developer shall include the requirements of this section as material terms of all contracts with Contractors and with Tenants in hotel and theater components of the Project, with a statement that such inclusion is for the benefit of the Coalition.

VIII. RESPONSIBLE CONTRACTING

A. DEVELOPER SELECTION OF CONTRACTORS. The Developer agrees not to retain as a Contractor any business that has been declared not to be a responsible contractor under the City's Contractor Responsibility Program (Los Angeles Administrative Code, Section 10.40.)

B. DEVELOPER SELECTION OF TENANTS. The Developer agrees that before entering into or renewing a lease agreement regarding any space over fifteen thousand (15,000) square feet, the Developer shall obtain from any prospective Tenant a written account of whether the prospective Tenant has within the past three years been found by a court, an arbitrator, or an administrative agency to be in violation of labor relations, workplace safety, employment discrimination, or other workplace-related laws. When choosing between prospective Tenants for a particular space within the Project, the Developer will, within commercially reasonable limits, take into account as a substantial factor weighing against a prospective Tenant any findings of violations of workplace-related laws. In complying with this Section, the Developer shall be entitled to rely on information provided by Tenants, without responsibility to perform independent investigation.

C. REPORTING REQUIREMENTS. The Developer will provide an annual report to the Coalition and to the City Council's Community and Economic Development Committee on the percentage of new lease agreements or other contracts regarding use of space within the Project that were entered into with entities reporting violations of workplace-related laws. In compiling this report, Developer shall be entitled to rely on information provided by Tenants and Contractors, without responsibility to perform independent investigation. The report may aggregate information from various End Users, so as not to identify any particular Tenant. This report shall be filed for any given year or partial year by April 30th of the succeeding year, and may be combined with the report regarding living wages, required to be filed by Section V.B.3.

IX. AFFORDABLE HOUSING

A. PURPOSE. Developer has included between 500 and 800 housing units as part of the Project. The goal is create an “inclusionary” development; *i.e.* the project will include an affordable housing component (the “Affordable Housing Program”) as set forth in this Section.

B. DEVELOPER AFFORDABLE HOUSING PROGRAM. This Developer Affordable Housing Program exceeds requirements of state law and the Agency. To further its connection to the surrounding neighborhoods, the Developer proposes to work with community-based housing developers to implement much of the plan.

1. **Percentage Affordable Units.** The Developer shall develop or cause to be developed affordable housing equal to 20% of the units constructed within the Project, as may be adjusted under Section IX.D., below, through joint efforts with community-based organizations to create additional affordable units as provided in Section IX.C, below. The Developer intends to include between 500 and 800 units in the Project; therefore, the Developer’s affordable housing commitment would be between 100 and 160 units, as may be adjusted under Section IX.D below.

2. **Income Targeting** The distribution of affordable units shall be as follows:

- a. 30% affordable to families earning zero to 50% of Area Median Income (“AMI”);
- b. 35% affordable to families earning 51% to 60% of AMI;
- c. 35% affordable to families earning 61% to 80% of AMI.

3. **Term of Affordability.** Affordable units will remain affordable for a minimum of 30 years.

4. **Location.** Affordable units may be built within the Project or off-site. Units built off site will be located in redevelopment areas within a three-mile radius from the intersection of 11th and Figueroa Streets. To the extent the Agency provides direct financial assistance in the creation of affordable units, 50% of the affordable units shall be constructed within the Project if required by the Agency.

5. **Unit and Project Type.** Given the high density of the proposed on-site high-rise housing, any inclusionary units within the Project will be two-bedroom units. Three- and four-bedroom units may be developed at offsite locations that are more appropriate to accommodate larger units and families. In connection with any off-site affordable units, Developer shall give priority consideration to creation of projects suitable for families in terms of unit size, location, and proximity to family-serving uses and services.

6. **Relocated Persons.** To the extent allowed by law, priority shall be given to selecting persons relocated in connection with the development of the STAPLES Center to be tenants in any affordable units created under this Section IX. Notice of availability of affordable units shall be given to such relocated persons as set forth in Section X.D.

7. **Public Participation and Assistance.** Nothing herein shall limit the right of the Developer to seek or obtain funding or assistance from any federal, state or local governmental entity or any non-profit organization in connection with the creation or rehabilitation of affordable units.

C. COOPERATIVE DEVELOPMENT WITH COMMUNITY BASED ORGANIZATIONS

1. **Purpose.** In addition to development of affordable housing on-site or off-site, Developer shall work cooperatively with community based organizations to in an effort to provide additional affordable housing units. The goal of this program is to identify affordable housing infill development opportunities within a 1.5-mile radius of Figueroa and 11th Street and to affiliate with well-established non-profit affordable housing development corporations in the area.

2. **Interest Free Loans.** As “seed money” for affordable housing development, within 2 years after receiving final entitlement approvals for the Project, Developer will provide interest-free loans in the aggregate amount not to exceed \$650,000 to one or more non-profit housing developers that are active in the Figueroa Corridor area and are identified in the Section VI.D.3, below, or are mutually agreed upon by the Developer and the Coalition. Repayment of principal repayment shall be due in full within three (3) years from the date the loan is made. Provided that the loan or loans have been timely repaid, such repaid amounts may be loaned again to one or more non-profit housing developers; however, it is understood that all loans will be repaid within six (6) years from the date the first loan was made. In addition, the loans shall be on such other commercially reasonable terms consistent with the purposes of this Section IX.C.

3. **Prequalified Non-Profit Development Corporations.** The following non-profit community based organizations are eligible to seek to participate in this cooperative program:

- a. Esperanza Development Corporation - Sister Diane Donoghue
- b. 1010 Hope Development Corporation - DarEll Weist
- c. Pueblo Development Corporation- Carmela Lacayo
- d. Pico Union Development Corporation - Gloria Farias

4. **Use of Program Funds.** The interest free loans may be used by the selected organizations for the following purposes:

- a. Land acquisition/option/due diligence.
- b. To focus on existing buildings to substantially rehabilitate or to acquire small infill sites capable of supporting approximately 40 or more units.
- c. Entitlement and design feasibility studies.
- d. Financial analysis and predevelopment studies.
- e. Funding applications and initial legal expenses.
- f. Other expenses reasonably approved by Developer to secure full funding agreements

5. **Project Selection Process**

- a. Within 90 days following Project approvals, Developer will meet and confer with principals of each non-profit listed in Section IX.C.3, above to gain a comprehensive understanding of the capabilities and capacity of each organization and ability to obtain financing support.

b. Within 6 months following Project approvals, Developer will request proposals from each non-profit organization, which may include one or more prospective sites and use best efforts to identify one or more projects to pursue.

c. Developer shall consult with and seek the input of the Coalition in the selection of the nonprofit housing developer or developers. Developer shall enter into a loan agreement with any selected nonprofit housing developer to provide the interest free loan as set forth in this Section IX.C.

D. ADJUSTMENTS TO AFFORDABLE HOUSING UNITS. The assistance provided by Developer under Section IX.C may result in production of affordable units substantially in excess of 20%. Further, the Coalition has a goal of at least 25% affordable units. Therefore, for every two units of affordable housing (including both rehabilitation or new construction) created by the non-profit developer or developers with the assistance of Developer under Section IX.C in excess of 25%, Developer shall receive a credit of one unit toward Developer's obligation to create affordable housing units; provided, however, that Developer's overall obligation for affordable housing units shall not be less than 15% due to any such reduction.

In the event that no affordable units are created under the cooperative program established in Section IX.C, above, through no fault of the Developer and the Developer is unable to recoup all or a portion of the loan or loans, the Developer's obligation to create affordable units shall be reduced by one unit for each \$10,000 of unrecouped

loans; provided, however that Developer's overall obligation for affordable housing units shall not be less than 15% of the housing due to any such reduction.

X. RELOCATED FAMILIES

A. PURPOSE. The purpose of this Section is to address problems that may be faced by families that were relocated by the Agency in connection with the development of the STAPLES Center. Many such families can no longer afford their current housing due to the expiration of the relocation assistance provided by the Agency.

B. MEET AND CONFER. The Developer agrees to meet and confer with the Coalition, City Councilmembers, Agency board and staff, and other City staff in effort to seek and obtain permanent affordable housing for families relocated in connection with the development of the STAPLES Center. Meetings with the Coalition shall be held quarterly, or less frequently if mutually agreed by the Coalition and the Developer. Meetings with City Councilmembers, Agency board and staff, and other City staff will be held as necessary. The Developer's responsibilities under this section will terminate five years from the effective date of the Cooperation Agreement.

C. ASSISTANCE. The Developer will generally assist the Coalition to seek and obtain permanent affordable housing for relocated families. Developer will speak in favor of such efforts at least two appropriate public meetings and hearings when requested to do so by the Coalition. The Developer will use commercially reasonable efforts to provide technical assistance to the Coalition.

D. NOTICE OF AVAILABILITY. For a period of three years, Developer shall use good faith efforts to cause the Agency to give, to the fullest extent allowed by law, 30 days notice of availability of affordable units created by the Project to persons relocated in connection with construction of STAPLES Center and to provide such relocated persons the first opportunity to apply as potential tenants. Persons eligible for such notice shall be relocated persons who are not tenants in a permanent affordable housing project and who otherwise meet income and other requirements for affordable housing.

E. TIMING. Permanent affordable housing for relocated families is an urgent matter and, therefore, time is of the essence. Consequently, Developer's obligations under this Section X, shall begin within five days following execution of the Settlement Agreement.

XI. COALITION ADVISORY COMMITTEE

To assist with implementation of this Community Benefits Program, address environmental concerns and facilitate an ongoing dialogue between the Coalition and the Developer, the Coalition and the Developer shall establish a working group of representatives of the Coalition and the Developer, known as the Advisory Committee. This Advisory Committee shall meet quarterly, unless it is mutually agreed that less frequent meetings are appropriate. Among other issues, the Developer shall seek the input of the Advisory Committee in the Developer's preparation of the construction management plan, the traffic management plan, the waste management plan and the neighborhood traffic protection plan. In addition, the Developer shall seek the input of the Advisory Committee in a effort to develop and implement potential solutions to other environmental concerns, including without limitation, pedestrian safety, air quality and green building principles.

XII. GENERAL PROVISIONS

A. SEVERABILITY CLAUSE. If any term, provision, covenant, or condition of this Community Benefits Program is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.

B. Material Terms. All provisions and attachments of this Community Benefits Program are material terms of this Community Benefits Program.

SECTION I. PURPOSE.

The purpose of this First Source Hiring Policy is to facilitate the employment of targeted job applicants by employers in the Los Angeles Sports and Entertainment District. It is a goal of this First Source Hiring Policy that the First Source Referral System contemplated herein will benefit employers in the project by providing a pool of qualified job applicants whose job training has been specifically tailored to the needs of employers in the project through a non-exclusive referral system.

SECTION II. DEFINITIONS.

As used in this policy, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

“City” shall mean the City of Los Angeles and any of its departments and/or agencies.

“Developer” shall mean the L.A. Arena Land Company and Flower Holdings, LLC. and their Transferees.

“Project” shall mean the Los Angeles Sports and Entertainment District.

“Employer” shall mean a business or nonprofit corporation that conducts any portion of its operations within the Project; provided, however, this First Source Hiring Policy shall only apply to any such portion of operations within the Project.. Employer includes but is not limited to lessees, landowners, and businesses performing contracts on location at the Project. All “Employers” are “Covered Entities,” as defined above.

“First Source Referral System” shall mean the system developed and operated to implement this First Source Hiring Policy, and the nonprofit organization operating it.

“Low-Income Individual” shall mean an individual whose household income is no greater than 80% of the median income for the Standard Metropolitan Statistical Area.

“Targeted Job Applicants” shall mean job applicants described in Section IV.D, below.

“Transferee” shall mean a person or entity that acquires a fee simple interest or a ground lease from the Developer for the purpose of developing all or any portion of the Proposed Development.

SECTION III. EMPLOYER RESPONSIBILITIES

A. Coverage. This First Source Hiring Policy shall apply to hiring by Employers for all jobs for which the work site is located within the Project, except for jobs for which hiring procedures are governed by a collective bargaining agreement which conflicts with this First Source Hiring Policy.

B. Long-Range Planning. Within a reasonable time after the information is available following execution by of a lease by Developer and Employer for space within the Project, the Employer shall provide to the First Source Referral System regarding the approximate number and type of jobs that will need to be filled and the basic qualifications necessary.

C. Hiring process.

(1) Notification of job opportunities. Prior to hiring for any job for which the job site will be in the Project, the Employer will notify the First Source Referral System of available job openings and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, required standard of appearance, and any special requirements (e.g. language skills, drivers' license, etc.). Job qualifications shall be limited to skills directly related to performance of job duties, in the reasonable discretion of the Employer.

(2) Referrals. The First Source Referral System will, as quickly as possible, refer to the Employer Targeted Job Applicants who meet the Employer's qualifications. The First Source Referral System will also, as quickly as possible, provide to the Employer an estimate of the number of qualified applicants it will refer.

(3) Hiring. The Employer may at all times consider applicants referred or recruited through any source. When making initial hires for the commencement of the Employer's operations in the Project, the Employer will hire only Targeted Job Applicants for a three-week period following the notification of job opportunities described in subparagraph III.C.1, above. When making hires after the commencement of operations in the Project, the Employer will hire only Targeted Job Applicants for a five-day period following the notification of job opportunities. During such periods Employers may hire Targeted Job Applicants recruited or referred through any source. During such periods Employers will use normal hiring practices, including interviews, to consider all applicants referred by the First Source Referral System. After such periods Employers shall make good-faith efforts to hire Targeted Job Applicants, but may hire any applicant recruited or referred through any source.

E. Goal. Any Employer who has filled more than 50% of jobs available either during a particular six-month period with Targeted Job Applicants (whether referred by the First Source Referral System or not), shall be deemed to be in compliance with this First Source Hiring Policy for all hiring during that six-month period. Any Employer who has complied with remaining provisions of this First Source Hiring Policy is in compliance with this First Source Hiring Policy even it has not met this 50% goal during a particular six-month period.

F. No Referral Fees. Employers shall not be required to pay any fee, cost or expense of the First Source Referral System or any potential employees referred to the Employer by the First Source Referral System in connection with such referral.

SECTION IV. RESPONSIBILITIES OF FIRST SOURCE REFERRAL SYSTEM.

The First Source Referral System will perform the following functions related to this First Source Hiring Policy:

A. Receive Employer notification of job openings, immediately initiate recruitment and pre-screening activities, and provide an estimate to Employers of the number of qualified applicants it is likely to refer, as described above.

B. Recruit Targeted Job Applicants to create a pool of applicants for jobs who match Employer job specifications.

C. Coordinate with various job-training centers.

D. Screen and refer Targeted Job Applicants according to qualifications and specific selection criteria submitted by Employers. Targeted Job Applicants shall be referred in the following order:

(1) First Priority: individuals whose residence or place of employment has been displaced by the STAPLES Center project or by the initial construction of the project and Low-Income Individuals living within a one-half-mile radius of the Project.

(2) Second Priority: Low-Income Individuals living within a three-mile radius of the Project.

(3) Third Priority: Low-Income Individuals living in census tracts or zip codes throughout the City for which more than 80% of the households, household income is no greater than 80% of the median household income for the Standard Metropolitan Statistical Area.

E. Maintain contact with Employers with respect to Employers' hiring decisions regarding applicants referred by the First Source Referral System.

F. Assist Employers with reporting responsibilities as set forth in Section V of this First Source Hiring Policy, below, including but not limited to supplying reporting forms and recognizing Targeted Job Applicants.

G. Prepare and submit compliance reports to the City as set forth in Section V of this First Source Hiring Policy, below.

SECTION V. REPORTING REQUIREMENTS.

A. Reporting Requirements and Recordkeeping.

(1) **Reports.** During the time that this First Source Hiring Policy is applicable to any Employer, that Employer shall, on a quarterly basis, notify the First Source Referral System of the number, by job classification, of Targeted Job Applicants hired by the Employer during that quarter and the total number of employees hired by the Employer during that quarter. The First Source Referral System shall submit annual aggregate reports for all Employers to the City, with a copy to the Coalition, detailing the employment of Targeted Job Applicants in the Project.

(2) **Recordkeeping.** During the time that this First Source Hiring Policy is applicable to any Employer, that Employer shall retain records sufficient to report compliance with this First Source Hiring Policy, including records of referrals from the First Source Referral System, job applications, and number of Targeted Job Applicants hired. To the extent allowed by law, and upon reasonable notice, these records shall be made available to the City for inspection upon request. Records may be redacted so that individuals are not identified by name and so that other confidential information is excluded.

(3) **Failure to Meet Goal.** In the event an Employer has not met the 50% goal during a particular six-month period, the City may require the Employer to provide reasons it has not met the goal and the City may determine whether the Employer has nonetheless adhered to this Policy.

SECTION VI. GENERAL PROVISIONS.

A. **Term.** This First Source Hiring Policy shall be effective with regard to any particular Employer until five years from the date that Employer commenced operations within the Project.

B. **Meet & Confer, Enforcement.** If the Coalition, the First Source Referral System, or the City believes that an Employer is not complying with this First Source Hiring Policy, then the Coalition, the First Source Referral System, the City, and the Employer shall meet and confer in a good faith attempt to resolve the issue. If the issue is not resolved through the meet and confer process within a reasonable period of time, the City may enforce the First Source Hiring Policy against the Developer as a term of any agreement between the City and the Developer into which the First Source Hiring Policy has been incorporated.

B. Miscellaneous.

(1) **Compliance with State and Federal Law.** This First Source Hiring Policy shall only be enforced to the extent that it is consistent with the laws of the State of California and the United States. If any provision of this First Source Hiring Policy is held by a court of law to be in conflict with state or federal law, the applicable law shall prevail over the terms of this First Source Hiring Policy, and the conflicting provisions of this First Source Hiring Policy shall not be enforceable.

(2) Indemnification. The First Source Referral System shall, jointly and severally, indemnify, hold harmless and defend the Developer and any Employer, and their officers, directors, partners, agents, employees and funding sources, if required by any such funding source (the "Indemnified Parties") from and against all fines, suits, liabilities, proceedings, claims, costs, damages, losses and expenses, including, but not limited, to attorney's fees and court costs, demands, actions, or causes of action, of any kind and of whatsoever nature, whether in contract or in tort, arising from, growing out of, or in any way related to the breach by the First Source Referral System or their affiliates, officers, directors, partners, agents, employees, subcontractors (the "First Source Parties") of the terms and provisions of this First Source Hiring Policy or the negligence, fraud or willful misconduct of First Source Parties. The indemnification obligations of the First Source Parties shall survive the termination or expiration of this First Source Hiring Policy, with respect to any claims arising as the result of events occurring during the effective term of this First Source Hiring Policy .

(3) Compliance with Court Order. Notwithstanding the provisions of this Policy, the Developer, Employers, Contractors, or Subcontractors shall be deemed to be in compliance with this First Source Hiring Policy if subject to by a court or administrative order or decree, arising from a labor relations dispute, which governs the hiring of workers and contains provisions which conflict with terms of this Policy.

(4) Severability Clause. If any term, provision, covenant, or condition of this First Source Hiring Policy is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.

(5) Binding on Successors. This First Source Hiring Policy shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and assigns of each of the parties. Any reference in this Policy to a specifically named party shall be deemed to apply to any successor in interest, heir, administrator, executor, or assign of such party.

(6) Material Terms. The provisions of this First Source Hiring Policy are material terms of any deed, lease, or contract in which it is included.

(7) Coverage. All entities entering into a deed, lease, or contract relating to the rental, sale, lease, use, maintenance, or operation of the Project or part thereof shall be covered by the First Source Hiring Policy, through the incorporation of this First Source Hiring Policy into the deed, lease, or contract. Substantive provisions set forth in Section III. "Employer Responsibilities," apply only to jobs for which the work site is located within the Project.