

6. All residential buildings or portion thereof. This exception does not include hotels.

**107.4.6.5 Use of arts fees acquired pursuant to Section 107.4.6.** Any arts fee collected by the Department of Building and Safety shall be deposited in the Arts Development Fee Trust Fund. Any fee paid into this fund may be used only for the purpose of providing cultural and artistic facilities, services and community amenities which will be available to the development project and its future employees. Any cultural and artistic facilities, services and community amenities provided shall comply with the principles and standards set forth in the Cultural Master Plan when adopted.

At or about the time of collection of any fee imposed by this section, the Cultural Affairs Department shall identify the use to which the arts fee is to be put, and if the use is financing public facilities, the facilities shall be identified.

**107.4.6.6 Projects covered by Ordinance 164,243.** In 1988, the City enacted Ordinance 164,243 which states in part:

“This ordinance is an interim measure while the City of Los Angeles is giving consideration to the enactment of an Arts Development Fee Ordinance. The owners of a development project shall be obligated to pay an Arts Development Fee if such fee is adopted in the future by the city. The fee will not exceed 1 percent of the total value of work and construction authorized by the building permit issued to a development project. This fee would be used to provide adequate cultural and artistic facilities, services and community amenities for the project.”

By enacting Section 107.4.6, the City has adopted the Arts Development Fee referred to by Ordinance 164,243. Accordingly, an arts fee shall be paid to the City of Los Angeles by owners of development projects which received building permits between and including January 15, 1989, and the effective date of this section. This arts fee described in this section shall be paid within 60 days of receipt of a request for payment of an arts fee. All exceptions listed in Section 107.4.6.4 shall apply to owners of development projects subject to Ordinance 164,243.

The Office of Finance shall bill and collect the Arts Development Fee owed by those persons to whom notice was given pursuant to this paragraph for the period January 15, 1989, through May 7, 1991. The amount due shall be paid in full within 60 days of the billing date unless an agreement to pay in installments pursuant to this paragraph is approved by the Office of Finance. Persons indebted to the City of Los Angeles for Arts Development Fees may, upon approval by the Office of Finance, enter into an agreement with the City of Los Angeles to pay such fees in installments over a period not to exceed one year. The Office of Finance shall collect a service fee of \$10.00 on each monthly installment to recover the cost to the city of processing installment payments. The Cultural Affairs Department is hereby authorized to negoti-

ate and accept payment in kind for the Arts Development Fee owed by those persons to whom notice was given pursuant to this paragraph for the period January 15, 1989, through May 7, 1991. The Cultural Affairs Department shall provide notice to the Office of Finance of the name of the person on whose account such in kind payment was accepted, and whether the in kind payment constitutes payment in full or only a specified portion of the Arts Development Fee owed.

The Office of Finance is authorized to record payment in full, without further notification to the person billed, for cash or in kind Arts Development Fee payments received that are within \$3.00 of the amount owed.

**107.4.7 Affordable housing mitigation fee notice.** Before issuance of a building permit for any project or structure, the Department of Building and Safety shall affix to the permit an Affordable Housing Mitigation Fee Notice to read as follows:

**Affordable housing mitigation fee notice:** The City of Los Angeles is considering the enactment of an Affordable Housing Mitigation Fee Ordinance. The owner of the project designated in this permit shall be obligated to comply with an Affordable Housing Mitigation Fee Ordinance, if such an ordinance is adopted in the future by the city. In no event shall the required fee exceed either \$5.00 per square foot of the structure(s) authorized by the permit or 3.5 percent of the valuation of the project designated on the permit, as determined by the Department of Building and Safety, whichever is lower. This fee shall be used to mitigate any affordable housing needs created by the project.

**Exception:** The notice required by this section shall not be affixed to building permits for the following projects or portion thereof:

1. Any project for which a building permit is issued with less than 40,000 square feet (3716 m<sup>2</sup>) of new floor area as determined by the Department of Building and Safety;
2. Any project located within the boundaries of an enterprise zone designated in Section 12.04 of the *Los Angeles Municipal Code*;
3. Any project developed by nonprofit entities such as hospitals, schools, religious institutions, museums, day care providers and other similar organizations, where the construction is directly related to the nonprofit purpose of the organization as determined by the Community Development Department. This exception shall not apply to nonprofit development of leasable commercial office space;
4. Any project or portion of a project for industrial, warehouse development or parking structures as defined by the *Los Angeles Municipal Code* and determined by the Department of Building and Safety;