

Date: 4-9-14  
Submitted in Housing Committee  
Council File No: 13-0413  
Item No.: 7

REPORT FROM

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER** *Report from the City Administrative Officer*

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Date: April 9, 2014

CAO File No. 0220-00540-1039  
Council File No. 13-0413  
Council District: Various

To: The Council  
The Mayor

From: Miguel A. Santana, City Administrative Officer *DJA RW*

Reference: Transmittal from the former Los Angeles Housing Department dated April 3, 2013; received by the City Administrative Officer on April 9, 2013; additional information provided by the Controller and the Housing and Community Investment Department between July 2013 and April 2014

Subject: **REQUEST FROM THE LOS ANGELES HOUSING DEPARTMENT TO ASSESS FEES RELATED TO AFFORDABLE HOUSING LAND USE COVENANTS AND REGULATORY AGREEMENTS**

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**SUMMARY**

The Housing and Community Investment Department (HCID), formerly the Los Angeles Housing Department (LAHD), requests authority to amend Section 19.14 of the Los Angeles Municipal Code (LAMC) to establish fees for the preparation and enforcement of affordable housing land use covenants that result from the Density Bonus Ordinance No. 179684. The fees will recover the administrative costs of performing the work, which has been subsidized by the Municipal Housing Finance Fund (MHFF).

The Department proposes five categories of fees related to the preparation and enforcement of affordable housing covenants. The fees would be paid by developers per project or per unit, depending on the type of work being performed. The fees would be paid when a developer submits an application. The proposed fees are included in Table 1 of this report. Based on the projected annual number of projects, HCID estimates that the new fees, if adopted, will generate \$1,336,606 per year in additional revenues to the City.

During the last year, this Office met with staff from HCID, the Controller and City Attorney to determine the best methodology for calculating the proposed land use covenants fees. As a result of those meetings, HCID updated Attachment 9 of their original transmittal, which listed the proposed fees. The revised Attachment 9 is included as Attachment A of this report. This Office has reviewed the revised fees and concurs with the fees and the methodology for fee establishment.

**Table 1**  
**Proposed Fees for the Preparation and Enforcement of Affordable Housing Covenants**

<b>Fee Category</b>	<b>Fee</b>	<b>Cost Basis</b>	<b>Annual Volume</b>	<b>Annual Revenue</b>
Affordable Housing Covenant Preparation	\$5,999	Project	61	\$365,932
Affordable Housing Covenant Assumptions and Terminations	1,283	Project	5	6,413
Affordable Housing Covenant Amendments	5,999	Project	5	29,994
Affordable Existing Residential Unit Determination per Section 4.4 of the Interim Procedures	998	Unit	1	998
Affordable Housing Provision Plan Review per Section 7.4 of the Interim Procedures	1,257	Project	73	91,759
Affordable Housing Covenant Monitoring Fee	206	Unit/Year	4085	841,510
<b>Total Annual Revenue</b>				<b>\$1,336,606</b>

### **Background**

The Council adopted a Motion (C.F. 05-1324) in February 2008 amending the LAMC to implement a density bonus program as required by State law. The resulting Ordinance No. 179681 includes affordable housing incentives. However, the fees associated with the Ordinance, which were to be charged and collected by HCID for the preparation and enforcement of the affordable housing covenants, were not included when the Ordinance was adopted. The HCID and the City Attorney prepared and submitted the proposed fees and the amendment to the Ordinance in the April 2013 transmittal. A revised Ordinance is included as Attachment B to this report.

### **Methodology**

Best management practices ensure that fees are fair and equitable and represent the estimated and reasonable cost of services. The methodology employed by HCID is a widely-known and accepted approach to cost analysis where the time spent per unit of fee activity is determined for each position assigned to the process. The times are totaled and then used to calculate all applicable City costs which typically include direct salaries and benefits, operating services and supplies, departmental and divisional overhead, and citywide overhead costs.

The Department follows a work-flow diagram that describes the steps to process land use covenants. To determine the amount of time spent, HCID staff interviewed and timed the personnel directly responsible for each task. For example, in the headings for columns 2 and 6 of the attached fee study spreadsheet, "Analyst" refers to Management Analyst Is, Management Analyst IIs and Management Assistants. The "Clerical" staff in the headings for columns 3 and 7 refers to Clerk Typists and Senior Clerk Typists.

The amount of time, expressed in hours, was totaled by position and then multiplied by the average hourly salary rate for the position. The salaries were obtained from the 2014-15 Wages and Count (WC) which averages the gross salaries of all employees within the same classification in a given Department to account for the different salary levels created by salary steps and bonuses. In this case, since several classifications may perform the same tasks, HCID calculated the salaries by averaging the WC salaries for positions that make up the group. For example, in the "Clerical" group,

the WC salaries for Clerk Typist and Senior Clerk Typist were averaged to create the hourly Salary amount in column 7.

To calculate indirect costs such as fringe benefits and building leases, HCID multiplied the direct salary costs by the rates established in the 2013-14 Cost Allocation Plan (CAP) 34 prepared by the Controller. In addition, the fees include contract costs for the City's occupancy monitor. If adopted, the new fees will recover the costs associated with performing the work and will relieve the burden on the MHFF for these services.

This Office has reviewed the revised fees and concurs with the fees and the methodology for establishing the fees. The revised fees are in compliance with the City's Financial Policies requiring full cost recovery for special services. The Department projects that the new fees will generate \$1,336,606 per year in revenues. The HCID included \$1,236,722 in revenue from the fee in their proposed 2014-15 Budget, which will be considered by Council after it is released by the Mayor. The revenue is listed in Schedule 48, Municipal Housing Finance Fund.

Once the 2014-15 Budget is adopted, this Office will assist HCID to ensure that the fee revenues cover the actual costs of the work. The Department will need to review the fees periodically to confirm that the fees are appropriate for the work performed. If the actual costs increase over time, fee increases will need to be considered. Otherwise, there may be an impact to the General Fund, as the MHFF may not be able to absorb the difference between the fee and the actual cost of the work performed.

## **RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Adopt the proposed Ordinance amending Section 19.14 of the Los Angeles Municipal Code in Attachment B of this report, subject to the review of the City Attorney;
2. Authorize the Controller to establish a new revenue source titled Affordable Housing Covenant Administration Fees within the Municipal Housing Finance Fund (MHFF) No. 815, in which to deposit fees collected pursuant to Los Angeles Municipal Code Section 19.14, as amended; and
3. Authorize the General Manager, Housing and Community Investment Department (HCID), or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions on this item, subject to the approval of the City Administrative Officer (CAO), and authorize the Controller to implement the instructions.

## **FISCAL IMPACT STATEMENT**

The proposed fees in this report are estimated to generate \$1,336,606 per year in revenues to the City. The recommendations in this report comply with the City's Financial Policies as the proposed fees are fair and recover the full cost of providing services.

*MAS:MMR:02140087C*

Attachments

Attachment A - Fee Study

Task	Staff Time				Salaries			Detailed Cost Breakdown							Total Costs Per Year	Average Cost Per Year over 5 Years					
	Staff Analyst	Staff Analyst	Staff Analyst	Staff Analyst	City Attorney	City Attorney	City Attorney	Indirect Costs - CAP 24	Indirect Costs - CAP 34	Indirect Costs - CAP 34/CTO	Allocated Other Costs	Total Direct Costs	Direct Salaries	Indirect Cost			Total Non-Salary Costs				
Pre-qualification conference	1.00				31.91						6.53	3.01	0.28	53.38	7.18	4.88	0.76	12.82	66.20	13.24	
Initial data entrainment		1.00			31.91						6.53	3.01	0.27	37.68	7.18	4.84	0.75	12.69	62.25	12.45	
Review of application, planning & BAS documents		2.00			31.91						12.85	6.02	0.56	106.78	14.55	9.77	1.52	25.84	132.40	26.48	
Communication with Owner, City Attorney, Planning & LADBS		10.00			31.91						64.27	30.11	2.78	533.78	71.77	49.87	7.93	128.22	692.00	138.40	
Communication with Owner, City Attorney, Planning & LADBS		8.00			31.91						64.27	1.51	0.14	28.43	3.55	2.42	0.38	6.24	32.77	65.54	
Review of senator documents		12.00			31.91						77.12	18.07	1.57	320.27	63.96	26.22	4.95	78.93	397.20	79.44	
Government development	3.00				31.91						141.05	6.03	1.27	640.53	86.32	58.64	9.11	153.87	794.40	158.88	
Supervisor's Review					48.98						53.85	6.03	1.27	238.07	32.78	22.37	3.47	58.58	297.65	59.53	
Consent to City Attorney and City Clerk		2.00			31.91						22.26	6.02	0.95	105.71	14.20	9.67	1.50	25.38	131.09	26.22	
Research		4.00			31.91						28.44	12.04	1.10	211.43	28.41	19.34	3.01	50.78	262.19	52.44	
Government Administration		6.00			46.98						146.76	49.17	6.34	1,095.35	163.68	111.99	17.24	292.81	1,695.18	339.04	
Government Administration		11.00			31.91						70.69	33.12	3.05	587.15	78.94	52.75	8.35	141.05	728.20	145.64	
Government Administration		5.00			31.91						31.60	15.08	1.37	284.28	38.51	24.18	3.76	63.45	327.73	65.55	
Final data entry filing / seminar OMB		2.00			31.91						12.72	6.02	0.55	105.71	14.20	9.67	1.50	25.38	131.09	26.22	
<b>Total Direct Costs</b>	18.00	14.00	14.00		2,472.31						538.51	224.12	21.26	4,444.71	601.94	402.88	63.06	1,073.84	5,518.55	1,103.71	
<b>Total City Attorney Costs</b>					60.00						179.25			487.23					487.23	974.46	194.89
<b>Total Government Preparation Amendments Total Costs</b>	18.00	14.00	14.00		2,532.31						538.51	224.12	21.26	4,444.71	601.94	402.88	63.06	1,073.84	5,518.55	1,103.71	
<b>DATE ENTRY &amp; LIFE REP.</b>					31.91						6.43	3.01	0.28	26.69	3.59	2.44	0.38	5.41	33.10	66.20	
Initial review of income documents	1.00				31.91						6.43	3.01	0.28	26.69	3.59	2.44	0.38	5.41	33.10	66.20	
Communication with property manager/owner	1.00				31.91						6.43	3.01	0.28	26.69	3.59	2.44	0.38	5.41	33.10	66.20	
Final determination	0.50				15.96						3.21	1.51	0.14	13.34	1.79	1.22	0.19	2.70	16.55	33.10	
Administrative Work	1.00				31.91						6.43	3.01	0.28	26.69	3.59	2.44	0.38	5.41	33.10	66.20	
Administrative Work		0.50			15.96						3.21	1.51	0.14	13.34	1.79	1.22	0.19	2.70	16.55	33.10	
Preparation of letter approving/disapproving tenant eligibility		0.50			15.96						3.21	1.51	0.14	13.34	1.79	1.22	0.19	2.70	16.55	33.10	
Preparation of packet info for contractor, into letters		0.50			15.96						3.21	1.51	0.14	13.34	1.79	1.22	0.19	2.70	16.55	33.10	
Initial income eligibility certification (cost per cent X number of attributable units)		4.00			31.91						128.40	63.72	6.53	1,039.20	146.37	101.13	15.48	319.36	1,458.56	291.71	
<b>Total First Year Total Costs per unit</b>	18.00	14.00	14.00		2,532.31						538.51	224.12	21.26	4,444.71	601.94	402.88	63.06	1,073.84	5,518.55	1,103.71	
<b>ANNUAL MAINTENANCE COSTS SECOND YEAR &amp; ONWARD</b>					31.91						6.43	3.01	0.28	26.69	3.59	2.44	0.38	5.41	33.10	66.20	
Annual Maintenance Costs (second year & onward)					31.91						6.43	3.01	0.28	26.69	3.59	2.44	0.38	5.41	33.10	66.20	
Data entry of contractor's annual report	0.50				15.96						3.21	1.51	0.14	13.34	1.79	1.22	0.19	2.70	16.55	33.10	
Data entry of contractor's annual report		0.25			7.98						1.61	0.75	0.07	6.67	0.89	0.61	0.09	1.35	8.27	16.55	
Research, info requests, line compliance, and admin		0.75			31.91						4.82	2.29	0.21	40.03	5.38	3.69	0.57	9.62	49.65	99.30	
Research, info requests, line compliance, and admin		0.25			7.98						1.61	0.75	0.07	6.67	0.89	0.61	0.09	1.35	8.27	16.55	
<b>2nd Year &amp; Onward per unit</b>	0.75				31.91						4.82	2.29	0.21	40.03	5.38	3.69	0.57	9.62	49.65	99.30	
<b>Total Year 1 &amp; 2 Costs per unit</b>	18.75	14.00	14.00		2,564.22						545.33	226.41	21.47	4,474.74	607.33	405.32	63.64	1,083.19	5,568.94	1,123.01	

**Attachment A - Fee Study**

Task	1	2	3	4	5	6	7	8	9	10A	10B	11	12	13	14	15	16	17	18	19	
	Sr Analyst	Analyst	Clerical	City Attorney	Sr Analyst**	Analyst*	Clerical**	City Attorney	Direct Salaries	Indirect Costs - City Attorney (Pro-Rata)	Indirect Costs - City Attorney (Pro-Rata)	Allocated Lease & Parking	Allocated Other Costs	Total Non-Salary Costs	Total Non-Salary Costs	Total Non-Salary Costs	Total GASP Costs	Total Costs Per Year	Average Cost Per Year (Per 5 Year)	Proposed Fees	
<b>PRE-APPLICATION REVIEW</b>																					
Preparation of site visit letter and data entry									31.58	11.93	6.35	3.01	0.27	0.75	12.69	62.55					
Site visit			4.00						127.84	47.01	25.71	12.04	1.11	3.04	51.29	264.89					
Site visit report, communication with property owner/manager, data entry									95.73	19.28	9.03	0.83	0.83	2.28	78.47	198.60					
<b>Total Non-Compliance Site Costs</b>			7.00						254.88	91.35	24.08	2.22	26.31	8.07	102.45	648.85					651.00
<b>RECORDATION &amp; ASSUMPTION AGREEMENT</b>																					
Pre-application conferencing			0.50						15.98	5.88	3.21	1.51	0.14	0.38	6.41	33.10					
Initial data entry			1.00						31.91	11.75	6.43	3.01	0.28	0.75	12.62	66.20					
Review of covenant			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Communication with Owner, City Attorney, Planning & LADBS			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Communication with Owner, City Attorney, Planning & LADBS			1.50						47.87	17.63	9.64	4.52	0.42	0.38	8.24	32.77					
Development of Assumption			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Supervisor's Review		2.00							97.16	32.78	19.57	6.02	0.85	2.31	39.04	196.42					
Covenant to City Attorney and City Clerk			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Recordation			4.00						128.32	48.52	25.44	12.04	1.10	3.01	50.76	262.18					
Final data entry filing (examined OMDB)			1.00						31.58	11.63	6.36	3.01	0.27	0.75	12.62	66.20					
Total HCID Costs			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
City Attorney's Review									63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Total City Attorney Costs									63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
<b>LAND USE ASSUMPTION DOCUMENT</b>																					
Total Land Use Assumption, Assumption Agreement Costs			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Pre-application conferencing			1.00						31.91	11.75	6.43	3.01	0.28	0.75	12.62	66.20					
Initial data entry			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Review of covenant			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Communication with Owner, City Attorney			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Communication with Owner, City Attorney			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Determination of termination document			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Covenant to City Attorney and City Clerk			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Recordation			4.00						128.32	48.52	25.44	12.04	1.10	3.01	50.76	262.18					
Final data entry filing (examined OMDB)			1.00						31.58	11.63	6.36	3.01	0.27	0.75	12.62	66.20					
Total HCID Costs			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
City Attorney's Review									63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Total City Attorney Costs									63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
<b>LAND USE TERMINATION DOCUMENT</b>																					
Total Land Use Termination Document Costs			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Pre-application conferencing			1.00						31.91	11.75	6.43	3.01	0.28	0.75	12.62	66.20					
Initial data entry			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Review of covenant			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Communication with Owner, City Attorney			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Communication with Owner, City Attorney			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Determination of termination document			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Covenant to City Attorney and City Clerk			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Recordation			4.00						128.32	48.52	25.44	12.04	1.10	3.01	50.76	262.18					
Final data entry filing (examined OMDB)			1.00						31.58	11.63	6.36	3.01	0.27	0.75	12.62	66.20					
Total HCID Costs			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
City Attorney's Review									63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
Total City Attorney Costs									63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
<b>Total City Attorney Costs</b>									63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					
<b>Total Land Use Termination Document Costs</b>			2.00						63.82	23.50	12.85	6.02	0.95	1.52	25.84	132.40					

# Attachment A - Fee Study

Task	1		2		3		4		5		6		7		8		9		10		11		12		13		14		15		16		17		18		19				
	Staff Time	Analyst	Analyst	Client	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney	City Attorney			
Review and analysis of AHPHP supporting documents.	8.00	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91		
Reviewing of financing and construction documents	4.00	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	
Review and verification of compliance of conditions as listed in the Planning letter	3.00	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91
Supervisor Review and approval of AHPHP and related documents	2.00	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	
Data entry and setup file folder/ communication with owners	1.00	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	
Total Affordable Housing Provision Plan Review	2.00	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	63.82	
<b>TOTAL HOUSING PROVISION PLAN REVIEW</b>																																									
Review of application	2.00	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	
Tenant Income Verification	2.00	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91		
Rental Income Analysis (data entry/research/analysis) for 3 years	6.00	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91		
Letter of Determination	1.00	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	
Supervisor Review	2.00	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58	48.58		
Distribution of the letters	1.00	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	31.91	
<b>Total Fee Determination Costs</b>	<b>2.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>		

Notes:  
 \*Analyst salary = Average of 2 MA1 and 3-Management Asst hourly rate per CAO Wage & Count for 2014-2015 = \$31.91 / hour  
 \*\*Client cost = St. Charles Typist hourly rate per CAO Wage & Count for 2014-2015 = \$31.99/hour  
 \*\*\*\$ MA1 = St. MA1 per CAO Wage & Count for 2014-2015 = \$46.50/hour

1.1. Column 10B: CAP 34 (Hiring Benefits & Control Services) rates for LHO Grant Funded staff = 36.85%  
 1.2. Column 10B: CAP 34 CTO rates for HCD = 20.14%  
 2. Column 11: Other Land Use expenditure \* Granted projected costs for parking and lessor (\$6,265 per employee x Time Spent in Activity)  
 3. Column 12: Finance & Development Other Costs = 0.81% (2013-2014 Projections in March 2014) x Estimated Salaries for Activity.

Salaries Available	Salaries Overtaken	Printing & Copying	Taxes	Contractual Services	Transportation	Office & Administration	Total Other Costs	Total Housing Services Salaries	% of Other Costs / Total Housing Salaries
2,679	2,679	15,901	14,534	15,289	51,242	5,656,307	5,656,307	5.87%	

4. Column 13: GASP Salaries = 21.49% based on GASP Division Salaries divided by Total Salaries per 2012-2013 Salaries Projections for March 2014) x Estimated Salaries for Activity.

GASP Division Salaries	11,594,639
Total Salaries	51,510,173
GASPTotal	22.49%

- 5. Column 14: CAP 34 Rates for GASP of 68.09%.
- 6. Column 15: 10.56% = Other GASP expenditure \* Granted projected costs for parking and lessor (\$6,265 per employee x Time Spent in Activity)
- 7. Column 16: Based on the cost in Column 17. The proposed fee is the average of the cost over 5 years with 2% costs increase per year
- 8. Column 18: Mentoring Fee is proposed to be set at the \$139/employee level. It does not account for 2% annual increase in costs. HCD expects to be able to offset the 2% annual cost increase via efficiency due to the high volume nature of this work
- 9. Column 19: Non-compliance Fee is higher than costs to encourage compliance. Higher compliance also allows HCD to keep the mentoring fee low. This is not part of the fee study. The Department is working with the City Attorney to address this fee as part of the fee study.
- 10. Column 19: Due to the low amount of consultant assignments, assumptions and terminations, and affordable housing provision plan reviews, and their relative similarity in per unit costs, to reduce the administration costs of these fees, the prop



**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Section 19.14 of Article 9, Chapter 14 of the Los Angeles Municipal Code relating to fees to the preparation and enforcement of affordable housing covenants.

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

Section 1. Section 19.14 of Article 9, Chapter 14 of the Los Angeles Municipal Code is amended to read:

(a) The following fees shall be charged and collected by the Los Angeles Housing and Community Investment Department (HCIDLA) for the preparation, including but not limited to any and all requested amendments, and enforcement of the affordable housing covenants described in:

- (1) Sections 12.22 A25(h)(1) through (3) of this Code;
- (2) Sections 12.22 A.29(d)(1) through (2) of this Code;
- (3) Section 151.28.B.1 of this Code;
- (4) Section 7.5.1 of the Interim Procedures for Complying with the Mello Act in the Coastal Zone Portions of the City of Los Angeles (Interim Procedures).

<b>Type of Application</b>	<b>Fee</b>
Affordable Housing Covenant Preparation Fee	\$5,999/project
Affordable Housing Covenant Assumptions and Terminations	\$1,283/project
Affordable Housing Covenant Amendments	\$5,999/project
Affordable Existing Residential Unit Determination per Section 4.4 of the Interim Procedures	\$998/unit
Affordable Housing Provision Plan Review per Section 7.4 of the Interim Procedures	\$1,257/project
Affordable Housing Covenant Monitoring Fee	\$206/unit/year

(b) The fees in Section 19.14(a) shall also be charged and collected for any and all affordable housing covenants which may come to fall under the jurisdiction of HCIDLA, including but not limited to those from the former Community Redevelopment Agency of the City of Los Angeles.

(c) The provisions of this ordinance shall be operative as of \_\_\_\_\_, 2014.