

13-0824-S1

MOTION

NOV 22 2013 HOUSING

Low Income Housing Tax Credits (LIHTC) is the primary resource with which affordable housing is financed throughout the country. Unlike New York, Chicago and San Francisco, which have tax credit allocated to their municipal boundaries, affordable housing developments in the City of Los Angeles, until very recently, had to compete for 9% LIHTC against projects in Los Angeles County. As a result, the City historically has had less direct control over housing development policy and the affordable housing financing process, compared to other major cities. Beginning in the Spring of 2013, the California Tax Credit Allocation Committee (TCAC) recognized the City as its own geographic region. As a result, the City will no longer compete for LIHTC with Los Angeles County.

On June 28, 2013, the City Council approved actions instructing the Housing and Community Investment Department (HCID), formerly the Los Angeles Housing Department, to adopt the Nine Percent LIHTC Pipeline Management Plan (Pipeline Management Plan) (Attached to the transmittal dated June 20, 2013; C.F. No. 13-0824). According to HCID, the Managed Pipeline Plan was developed to establish and implement a process to control the selection and timing of affordable housing developments that will move forward to the State for funding.

Article IX Section 9.03 of the Pipeline Management Plan contains language authorizing the HCID to be the sole entity of the City to issue a Local Review Letter which is required by TCAC for each development seeking 9% LIHTC. The language in this section also provides that "any developer that applies to TCAC for an allocation of 9% LIHTC for an affordable housing development located within the City of Los Angeles, but did not go through the Managed Pipeline, or applies out of order without LAHD's consent, will receive a Review Letter indicating "No Support" which could seriously impact housing development projects that are a priority for the City."

Given that the Pipeline Management Plan was adopted by Council days before a new Mayor and Council took office, it would be appropriate to instruct the HCID to report on the implications of the Pipeline Management Plan on affordable housing projects in the City of Los Angeles. Specifically, HCID should report on the implications to projects located in the City that are a high priority for the City, but receive letters of "No Support" from HCID. Additionally, HCID should provide recommendations for improved coordination with Council Offices with respect to consideration of affordable housing projects that do not go through the Managed Pipeline and the impact of the Pipeline Management Plan on the City's Affordable Housing Preservation Program.

I THEREFORE MOVE that the Council instruct the Housing and Community Investment Department (HCID) to report with the following: 1) impact of the Pipeline Management Plan on affordable housing projects in the City of Los Angeles, with a focus on projects that are a high priority for the City, but receive letters of "No Support" from HCID, including specific examples of where and when a project would receive a letter of "No Support;" 2) recommendations for improved coordination and communication with Council Offices with respect to consideration of priority affordable housing projects not on the Managed Pipeline; and, 3) the impact of the Pipeline Management Plan on the City's Affordable Housing Preservation Program.

PRESENTED BY: Gilbert A. Cedillo
GILBERT A. CEDILLO
Councilmember, 1st District

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