

HOUSING COMMITTEE REPORT relative to the Los Angeles Housing and Community Investment Department's (HCIDLA) monitoring of affordable housing units developed pursuant to the City's Density Bonus Ordinance.

Recommendation for Council action, as initiated by Motion (Bonin – O'Farrell – Krekorian):

NOTE and FILE the HCIDLA report to Council dated April 30, 2015 relative to the monitoring of affordable housing units developed pursuant to the City's Density Bonus Ordinance (SB 1818).

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

SUMMARY

On May 27, 2015, Council considered Motion (Bonin – O'Farrell – Krekorian) relative to monitoring affordable housing units developed pursuant to the City's Density Bonus Ordinance. Motion states that the Density Bonus Ordinance was enacted to increase the availability of housing for the City's lower- and middle-income residents to ensure access to housing for those who really need it. Motion movers go on to state that these affordable housing units may not be serving their intended population. No publicly available centralized system for renting SB 1818 affordable units is maintained by the City, and there are difficulties faced in monitoring the occupancy of the SB 1818 units that exist in the City.

Motion movers believe that if City neighborhoods are asked to absorb the additional density, traffic, and development impacts from density bonus projects, the City must ensure that the affordable units being produced are operated as affordable units, maintained at affordable rent or sale levels, and occupied by residents who truly qualify for the housing. Motion movers recommend that Council direct HCIDLA to report relative to this matter. Council referred Motion to the Housing Committee.

In the April 30, 2015, report to Council, HCIDLA responds to the Motion's directions. HCIDLA states out of a total portfolio of 4,668 density bonus affordable units developed since the enactment of the Ordinance, income certification records have not been obtained for up to 250 units due to a lack of automation in the Department's land use system and insufficient staff resources.

HCIDLA further reports that since 2008, 77 Rent Stabilization Ordinance properties containing 1,147 dwelling units were demolished and redeveloped with new properties containing 2,150 restricted affordable housing units. The HCIDLA report goes on to discuss tenant income levels and affordability, and income verification. The Department believes that, with adequate resources, the monitoring process can be improved by working closely with the Department of Building and Safety to receive automated notifications of the issuance of Certificates of Occupancy in order to work with property owners to certify tenant incomes prior to leasing of the affordable units and requiring property owners to provide documentation annually of tenant incomes; and, to continue working with the City Attorney to enforce affordability covenants.


At its meeting held November 18, 2015, the Housing Committee discussed this matter with

HCIDLA staff. The Department representatives reviewed the content of the April 30, 2015, report. HCIDLA lacks sufficient resources to comprehensively monitor Density Bonus affordable housing units. It was also stated that other cities use the revenue from fees to help monitor such units. The City of Los Angeles charges no such fee. A Committee member stated that issues raised by the Department relate to enforcing compliance rather than the Department's ability to monitor. Committee recommended that Council note and file the HCIDLA report.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
FUENTES:	ABSENT
HUIZAR:	ABSENT
PRICE:	YES
HARRIS-DAWSON:	YES



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-NOT OFFICIAL UNTIL COUNCIL ACTS-