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Los Angeles City Council
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, California 90012

Attention: PLUM Committee

Dear Honorable Members:

**REPORT BACK FROM THE DEPARTMENT OF CITY PLANNING ON IMPLEMENTATION OF
MEASURE JJJ (AFFORDABLE HOUSING AND LABOR STANDARDS/GENERAL PLAN
AMENDMENTS/ZONING CHANGES/CERTIFICATION OF SUFFICIENCY); CF 16-0684**

Background

Measure JJJ was approved by Los Angeles voters on November 11, 2016, and the ordinance became effective as law when the results were certified by City Council on December 13, 2016. The measure contains three components that impact Department of City Planning responsibilities: 1) Requirements of Housing Developments Requesting Certain Legislative Actions; 2) Creation of a Transit Oriented Communities; (TOC) Program; and 3) Long Range Planning Provisions for Housing Needs in Community Plans. This report serves as a companion document to a report from the Bureau of Contract Administration regarding Measure JJJ, and for that reason this report will focus almost exclusively on the first responsibility—Requirements of Housing Developments Requesting Certain Legislative Actions.

The Project Review Process

The Department of City Planning (DCP) adapted existing processes to account for the review of projects subject to Measure JJJ. The ordinance resulting from the approved ballot measure was codified in LAMC 11.5.11, wherein General Plan Amendments, Zone Changes, and Height District changes that would result in increased permitted housing on a development site, are subject to a required provision of affordable housing units, and to fulfill construction labor obligations. To offset the affordable housing set aside, applicants may request Concessions or Incentives offered through the existing Density Bonus ordinance codified as LAMC 12.22 A25. Projects do not receive a density bonus per se, but instead must ask for the density through the legislative request (General Plan Amendment, Zone Change, or Height District Change).

DCP created new case suffixes (GPAJ, ZCJ) to identify and track JJJ-applicable cases. The incoming projects are first reviewed for affordable unit set aside compliance, and then such requests follow the standard process for legislative actions including environmental review, design review, an initial public hearing, followed by a public hearing at the City Planning Commission, and the legislative portions (and others if appealed) continue on to PLUM and Council and finally for Mayor's signature.

If a project is approved, the decision letter issued by DCP includes required conditions that must be met prior to the Department of Building and Safety issuing a permit for construction. The required set aside of affordable units is also conditioned by DCP subject to final review and approval by the Los Angeles Housing and Community Investment Department. Any requested incentives would be noted and the project design would incorporate all such allowances, and all code requirements. Conditions of approval that lay out a procedure for meeting labor standards are also contained in the decision letter issued by DCP.

An example of a labor requirement condition reads as follows:

##. Labor Requirement. Pursuant Section 11.5.11 of the Los Angeles Municipal Code, and Section 5.522 of the Administrative Code, the applicant shall confer with Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance and shall provide the following to the Department of City Planning:

- a) A signed Preconstruction Checklist Agreement between the Applicant and the Bureau of Contract Administration (maintained in the case file), prior to clearing any Building Permit, which covers the following:
 - i) **Licenses.** All building and construction work on the project will be performed at all tiers by contractors that are licensed by the State of California and the City of Los Angeles. The project will employ only construction workers that possess all licenses and certifications required by the State of California and the City of Los Angeles.
 - ii) **Local Hire.** At least 30% of all respective workforces' construction workers' hours of Project Work will be performed by permanent residents of the City of Los Angeles. Also, at least 10% of all workforces' construction workers' hours of Project Work shall be performed by Transitional Workers whose primary place of residence is within a 5-mile radius of the covered project. If such minimums are not met, evidence of a good faith effort to solicit such local workers shall be demonstrated.
 - iii) **Wages.** The project will pay construction workers performing Project Work hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determinations established pursuant to the California Labor Code.
 - iv) **Training.** At least 60% of construction workforces employed on the project will be:
 - a. Workers who graduated from a Joint Labor Management apprenticeship training program approved by the State of California.
 - b. Alternatively, workers employed that have minimum hours of on-the-job experience in the applicable craft which would be required to graduate from such a state-approved apprenticeship training program.
 - c. Workers who are registered apprentices in an apprenticeship training program approved by the State of California or an out-of-state, federally-approved apprenticeship program.
 - v) **Bond.** A Bond may be required to ensure compliance.
- b) After the project has completed construction, and prior to issuance of any Certificate of Occupancy, a signed report from the Bureau of Contract Administration that indicates compliance with the above licenses, local hire, wages and training requirements shall be added to the case file.

Findings, which are written justifications for why the project meets all regulations, are also included in the decision and these follow the standard findings of approval for the legislative action (JJJ cases do not require separate findings).

Coordination With Related City Departments

The Department of City Planning has convened regularly with the Mayor's Office and the Bureau of Contract Administration (ConAd), as well as the Office of the City Attorney, the Department of Building and Safety (DBS), and the Los Angeles Housing and Community Investment Department to work through how to ensure the intent of the measure, and how its prescriptive regulations can be applied in practice. The labor conditions and the responsibility assigned to ConAg by Measure JJJ has been complex from an administrative perspective, because ConAd's role in review of private development projects is new.

Case Activity to Date : Legislative Cases

The Department has information on different types of projects subject to, or allowed by Measure JJJ that addresses case activity. For Housing Developments Requesting Certain Legislative Actions (GPAJ and ZCJ projects via LAMC 11.5.11), here is a summary status:

- A total of three projects have been approved by City Council subject to Measure JJJ/LAMC 11.5.11, from the time the ordinance was effective to now.*
- The Department of City Planning currently has 33 cases in the pipeline, presently in process.*
- Given that the Department had 25 projects in the pipeline that became subject to Measure JJJ/LAMC 11.5.11 at the time it became effective, and that 25 cases have been filed,** we can extrapolate that 17 have been modified to different case types, or were withdrawn or terminated.
- We can also note that applications are trending toward a strong reduction in legislative (LAMC 11.5.11) cases filed, as only two were filed with the Department in the last six months of 2017.

**Current data as of first quarter 2018*

*** Data Period: 2017 to first quarter 2018*

Case Activity to Date : TOC Projects/Cases

As required by Measure JJJ, the Department of City Planning created a Transit Oriented Communities Affordable Housing Incentive Program with "TOC Guidelines" for housing developments located within a one-half mile radius of a Major Transit Stop. The guidelines provide robust incentives for affordable housing set asides with a tier based system relative to transit proximity. For the TOC program (authorized by LAMC 12.22 A.31), there are two processes. Projects are eligible for an administrative review process if requesting increased Floor Area Ratio and Density, and reduced Parking only, with no on-menu incentives. Alternatively, projects go through a discretionary review process when requesting on-menu incentives, which results in a decision letter; these projects can be subject to appeals. Here is a summary status for TOC projects:

- As for TOC cases that go through the Department's discretionary review process, there have been 39 cases filed.**
- So far, nine of these TOC cases filed with the discretionary review process have been approved. **

- As for TOC cases that are eligible for an administrative review process, that pending number will come from a report query conducted by DBS. The Department of City Planning Development Services Center Housing Unit has performed 83 tier verifications, denoting interest (though not all of these ultimately result in projects filed).
- No TOC cases have elected to include labor requirements, which is offered as an option that permits projects additional incentives.

**Current data as of first quarter 2018*

*** Data Period: 2017 to first quarter 2018*

Conclusion

The Department of City Planning is actively implementing Measure JJJ, an ordinance passed by the Los Angeles Voters in the 2016 November election, that includes provisions with impacts to housing, affordable housing, and construction labor within the City of Los Angeles. The Department remains committed to ensuring the regulations are applied in a consistent, sensible and practical manner, in coordination with other City Departments. The Department's existing resources are adequate to achieve this.

Sincerely,

VINCENT P. BERTONI, AICP
Director of Planning



Shana Bonstin
Principal City Planner

VPB:KJK:smmb

c: Shannon Ryan, Planning and Development Manager, Mayor's Office
Chris Jenson, Office of Contract Compliance, Bureau of Contract Administration