CCA
CENTRAL CITY ASSOCIATION
OF LOS ANGELES

June 6, 2017

Councilmember José Huizar, Chair
Planning and Land Use Management Committee
200 N. Spring Street
Los Angeles, CA 90012

Re: **Item 9, Affordable Housing Linkage Fee**

Dear Councilmember Huizar,

The Central City Association (CCA) advances policies and initiatives that promote Downtown's vibrancy and increase investment in the region. Downtown is the region's center for growth and it has the potential to meaningfully address the housing crisis with high-density mixed-income housing. By locating housing in Downtown we are maximizing the impact of public transit investments and creating a more sustainable city.

The Affordable Housing Linkage Fee (AHLF) should be viewed as an initial step toward addressing the housing crisis; it will not solve the crisis on its own. The city must balance this action with incentives and streamlined procedures to encourage economic growth. CCA requests that the AHLF be adopted in a manner that will minimally disrupt housing production and the creation of new jobs.

In this letter we make recommendations regarding the implementation of the AHLF and provide ideas to support job growth and increase housing production at a broad range of income levels.

Recommendations for Citywide AHLF Implementation:

The AHLF is a completely new concept in Los Angeles and is being applied to almost all new development. The proposed fee of $12 per square foot (SF) for residential projects and $5 per SF for non-residential projects should be phased in over a multi-year period. The city provided a two-year phase-in for the recently adopted Park Fee and it was not a completely new fee; we recommend a three-year phase-in to ease the transition from no fee to a significant fee**.** We believe this will provide time for land prices to adjust, which will help mitigate potential negative impacts on housing and job creation.

CCA asks that the City reverse the City Planning Commission's (CPC) changes to the way the fee amount is calculated. City Planning staff recommended that the AHLF be based on the leasable/saleable square footage, and CPC changed it to total building square footage. We believe that City Planning staff had this right: Hallways, janitor rooms, and common areas do not contribute to residential or non-residential demand, and therefore should not be counted toward the AHLF calculation.

We also ask that the city delay payment of the AHLF to issuance of the certificate of occupancy versus at issuance of building permit, similar to the required timing for payment of park fees for non-subdivision projects. This will reduce carrying costs and avoid unnecessary interest accrual, reducing the cost of new housing and making housing development feasible in more areas of the city.

CCA believes the thresholds for projects subject to the fee should only apply to residential projects with 50 units or more, and non-residential projects with more than 50,000 SF. This will allow for the mid-market, "Missing Middle" housing projects to still be built. According to a USC study from 2015, buildings with 2-49 units account for over 20% of the nation's housing supply and are the most likely to provide unsubsidized affordability.[1] Without this exemption, many of these projects—especially those planned in less expensive LA housing markets—will become financially infeasible and we will lose out on thousands of units of "naturally affordable" market-rate housing. We also believe exempting non-residential projects with less than 50,000 SF will help Los Angeles remain the nation's largest market for small business creation.

We ask that the city consider exempting non-residential square footage from the fee calculation when it is required by the city through a specific plan or other planning requirement. This modification will align city policies and avoid competing priorities.

In addition, CCA encourages including a provision within the ordinance that suspends the fee in the event of an economic downturn. We also ask that the ordinance contain language that the AHLF must be used for affordable housing purposes defined as 30-150% AMI. It must be abundantly clear that these funds cannot be used for other purposes.

Finally, we ask that the AHLF ordinance include a hardship exemption and require annual reports to the City Council on the use of the AHLF.

CCA appreciates your consideration of these modifications and we feel strongly that they will go a long way toward mitigating potential negative impacts.

Recommendations for Downtown AHLF Implementation:

Downtown is like no other place in the City of Los Angeles. This is evidenced by a variety of unique characteristics and policies, including its skyline of high-rise buildings, unlimited residential density, and the Transfer of Floor Area Rights (TFAR) ordinance. The TFAR ordinance allows projects to purchase additional development rights from the LA Convention Center in exchange for a transfer payment and a public benefit payment. The public benefit payment can be used to support a broad array of priorities, from park space to transportation infrastructure to affordable housing.

We ask that the AHLF calculation only be applied to square footage allowed by a parcel's base FAR limit—that is, what can be built without the TFAR allocation. This will align city policies and avoid creating a disincentive for projects to utilize the TFAR ordinance, which is an important tool for Downtown's growth and the provision of community benefits.

Encouraging high-rise housing in Downtown should remain a city priority. It creates the most construction jobs, best leverages public transit investments, and creates a significant number of new housing units. Unfortunately, the AHLF Nexus Study by BAE Urban Economics does not analyze Type I/high-rise construction. The study also falls short in analyzing construction loans. According to our members who work in the development industry, it is unheard of to receive a construction loan for 85% of construction costs, and a 6% interest rate is unobtainable.
We point this out to highlight the fact that the study does very little to illuminate how the Downtown Los Angeles market will react to a new fee. We believe the only way to mitigate this uncertainty is to phase the fee in over a

[1] http://www.enterprisecommunity.org/resources/small-and-medium-multifamily-housing-units-affordability-distribution-and-trends-19323

multi-year period, create compatibility with the TFAR ordinance, and retain a fee structure that is predictable and clear.

Recommendations to Increase Housing Production & Preservation:

CCA strongly believes that LA's regional housing shortage is the root cause of our affordability crisis, but we also must continue to subsidize housing for homeless and extremely low income individuals. We are pleased that there has been significant action to create new, broad-based revenues to support homeless housing including Proposition HHH, Measure H, and the No Place Like Home initiative. About 9,000 homeless residents were housed over the last two years, yet we still had a 20% increase in homelessness in the city. This shows that new people are falling into homelessness every day, and we need to provide more diverse and flexible ways to solve the housing crisis.

The current draft ordinance calls for the establishment of a Housing Impact Trust Fund and we believe this is a good opportunity to create targeted solutions for many Angelenos who cannot afford current market rents but do not qualify for city subsidized housing. These are the people who are at-risk of becoming homeless. The Housing Impact Trust Fund could be used to purchase existing buildings and covenant the units for moderate income households, and also to broaden the city's existing program that helps families with down payment assistance to put a mortgage within reach. Both of these programs directly address tenant displacement and could be used as tools to help people stay in their communities.

In order to truly address the housing crisis the city must complement public revenues with new approaches that require little or no public subsidy. We believe Downtown is the place to try pilot programs and welcome its use as a testing laboratory for the rest of Los Angeles. One smart approach is to create flexibility in the zoning code and building code—to let developers build housing that encompasses the entire range of lifestyles that LA residents choose to live.

For example, research performed at UCLA has shown that reducing or eliminating parking requirements results in significantly less expensive and more diverse housing options, and this finding was based on research done in Downtown LA itself.[2] CCA also believes we should target expensive and wasteful garage standards, such as driving aisle requirements: aisle widths are 28 feet in Los Angeles, but only 22 feet in Seattle. Another building efficiency that should result in greater affordability is eliminating the requirement for 30 feet between stairwells, and replacing it with a redundant two-hour rating requirement to promote public safety.

In general, affordability would improve with less prescriptive standards when it comes to matters of preference: We should be uncompromising in our expectations for health and safety in our buildings, but we should allow for a greater variety of unit types including those without a parking space, private bathroom, or full-sized kitchen. These kind of efficiencies can yield greater affordability and put more desirable neighborhoods within the reach of more people. Right now, our codes prevent those types of options from being provided. Similarly, requirements such as minimum unit size, above-average ceiling heights, and setback requirements can all increase costs in ways that narrow the range of choices available to renters and reduce the availability of housing for workforce and moderate-income households.

CCA also recognizes that there are new housing typologies emerging. New building materials such as cross-laminated timber, shared housing opportunities, corporate housing, as well as temporary and modular housing

[2] Michael Manville. Parking Requirements and Housing Development. Access Magazine Number 44, Spring 2014.

that can be easily constructed and moved are all typologies that the City must embrace. We ask that you request City Planning, LADBS and HCID to report to your committee on challenges and solutions to locating new housing typologies in LA.

We encourage the city to utilize existing opportunities to increase housing production. For example, the House LA legislative package contains valuable ideas to support new housing construction and should be advanced to help offset the fee's cost and minimize its impacts on housing production. We are particularly interested in increasing the threshold for site plan review. It is currently 49 units, impacting almost every project in Downtown by imposing an artificially low threshold for additional review. CCA also encourages the city to complete the Permanent Supportive Housing Ordinance and to update the Density Bonus Ordinance. Both of these items will help to streamline approvals of housing.

The Bicycle Parking Ordinance code amendment is currently pending at your committee. As drafted it requires one bike parking space per residential unit, which unfairly burdens large projects. We believe a tiered approach—one in which the spaces per unit declines as the number of units increases—would continue to meet the need for bike parking while encouraging larger residential projects to move forward without delay or unnecessary cost. The ordinance also contains very strict requirements for bike parking locations that negatively impact active ground floor uses, and it misses many opportunities to promote shared resources such as Metro's Bike Share program in lieu of single-purpose, tenant-only amenities like parking. Many projects are forced to request a variance to comply with these provisions and we ask that the ordinance be modified to provide greater flexibility while still supporting increased bicycling.

City Planning has initiated DTLA 2040, which is the merging and update of the Central City and Central City North Community Plan areas. We believe DTLA 2040 is the perfect opportunity to advance a mixed-income Downtown through increased density and public investments. We support removing balconies from FAR calculations, eliminating parking requirements, allowing the transfer of air rights between private properties, and adopting flexible zoning to respond to changing and emerging needs. Aggressively promoting increased density in Downtown will advance two important citywide goals: ameliorating the housing shortage and creating new affordable housing resources. Increased residential capacity will allow Downtown to play an outsize role in addressing the housing shortage that is at the heart of the region's affordability crisis.

As DTLA 2040 progresses, CCA will continue to engage stakeholders and push for maximizing residential construction in the area, and for tying those increases to an effective value capture mechanism that is invested back into the community for the benefit of local residents and businesses. A key consideration is to ensure that the value captured by community benefit requirements does not exceed the value created by zone changes. If that occurs, property owners will actually be disincentivized from investing in redevelopment, and we will be left with less market-rate *and* less affordable housing, in addition to ongoing shortages of open space, mobility improvements, and other community investment priorities. We also must ensure that any value capture benefits required by DTLA 2040 are compatible with the AHLF. This is the same balance we are trying to strike with the AHLF and existing community benefit requirements.

Recommendations to Increase Job Producing Uses:

Housing affordability isn't just about the cost of homes, but also the incomes of a city's residents. Much of LA's housing crisis can be explained by a lack of good, well-paying jobs despite increases in the minimum wage: Home prices have continued to climb even as our unemployment rate remains above state and national levels, and average wages have been stagnant for more than a decade. Compared to other high-cost coastal cities like San

Francisco, Seattle, and New York, Los Angeles has among the lowest median incomes in the country. When crafting policies to promote housing affordability, we must ensure that we aren't creating new burdens on the creation and retention of jobs—the two goals must be pursued in tandem as part of a holistic economic development strategy.

Just as we believe the city must make it easier to build housing, we also believe the city should take a more active role in supporting job creators. While we understand many of the suggestions we are providing are outside of the purview of your committee, there nonetheless must be a greater focus on zoning for business start-up, promotion, attraction, and growth. The Ad Hoc Jobs Committee chaired by Councilmember Kerkorian has done a great job of setting the course for the city to become more of an economic development partner, and we hope the city will use this opportunity to consider planning strategies focused on job creation.

For example, we know private car ownership is declining in urban areas like Los Angeles, and we need to be ready to repurpose parking garages. Additionally, retail is rapidly evolving and more retailers are looking for ways to convert existing structures into a greater mix of uses. We encourage the city to start thinking about flexible strategies for the conversion of parking garages and retail spaces to new and innovative uses.

Next Steps:

CCA understands the uncertainty of the federal budget and what impact the elimination of HOME and/or CDBG funds would mean for the Affordable Housing Trust Fund, and we share your concerns. We ask that this uncertainly not drive the conversation regarding the AHLF and that you continue to take a thoughtful approach to this significant citywide policy. We urge you to keep this item in your committee for additional dialogue as this complex issue is considered by businesses, residents, and stakeholders from across the city.

We greatly appreciate your consideration and value our continued partnership to build a stronger and more vibrant community in Downtown LA.

Sincerely,

Jessica Lall
President & CEO

Cc: Mayor Garcetti,
Council President Wesson,
Councilmember Harris-Dawson, Vice Chair,
Councilmember Cedillo,
Councilmember Englander,
Councilmember Price

Summary of AHLF Recommendations

- Introduce a three-year phase-in of the fee, to allow land prices to adjust and mitigate negative impacts on housing and job creation.
- Calculate the linkage fee based on leasable space rather than total square footage, which aligns with the nexus between new housing and increased affordable housing demand.
- In Downtown, apply the linkage fee calculation to base FAR only. Do not double-assess additional FAR purchased through the TFAR program.
- Require payment of the AHLF at issuance of the certificate of occupancy rather than issuance of the building permit. This will reduce carrying costs to make new housing more affordable and make development feasible in more areas of the city.
- Exempt the first 50,000 square feet of jobs-producing uses from the fee.
- Exempt residential uses with 50 units or less from the fee to avoid discouraging “naturally affordable” Missing Middle housing from being built.
- Exempt non-residential square footage from the fee when it is required through a City specific plan or other planning requirement.
- Include a provision within the ordinance that will suspend the fee in the event of an economic downturn.
- Include a hardship exemption from the fee.
- Include a provision within the ordinance that the AHLF must be used for affordable housing purposes defined as 30-150% AMI. It must be abundantly clear that these funds cannot be used for other purposes.
- Require annual reports to City Council on the collection and use of the AHLF.

Google Groups

Affordable Housing Linkage Fee File Number 17-0274

Ann Sewill Jun 6, 2017 11:40 AM
Posted in group: **Clerk-PLUM-Committee**

Dear Chairman Huizar and Members of the Planning and Land Use Management Committee –

This afternoon the Council's Planning and Land Use Management Committee will hear recommendations on the Affordable Housing Linkage Fee (Council File Number 17-0274) to establish a fee charged to residential and commercial developments to offset the increased need for affordable housing. The City has engaged in a twelve month study and review of the nexus between job creation and housing need, and the potential financial impact on development, resulting in the staff and CPC recommendations.

Concerns have been raised that the proposed fee will reduce housing production, cause market rents to increase, and increase displacement of lower income renters. The California Community Foundation engaged Keyser Marston Associates, one of the leading financial advisors to local government in real estate development and finance issues in the state, to prepare the attached brief analysis of these concerns. Key findings include:

- There is no evidence that adoption of similar programs had any impact on housing production in other southern California cities.

- As a general rule developers set rents or sale prices at the maximum the market will bear. The imposition of a fee does not change market conditions.

- Displacement of lower income renters is occurring due to rising rents over time, or due to demolitions to make room for development. New market rate projects built in Los Angeles have rents that far exceed what a lower income household can afford. A simple supply-side approach to residential development will not solve the affordability crisis.

Thank you for your leadership on this important matter. I am happy to answer any questions and can be reached at 213.452.6267.

Ann Sewill

VICE PRESIDENT, HOUSING & ECONOMIC OPPORTUNITY

California COMMUNITY Foundation

office: 213.452.6267

fax: 213.622.2969

email: asewill@calfund.org

221 S. Figueroa Street, Suite 400

Los Angeles, CA 90012

KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
Real Estate
Redevelopment
Affordable Housing
Economic Development

SAN FRANCISCO
A. Jerry Keyser
Timothy C. Kelly
Kate Earle Funk
Debbie M. Kern
Reed T. Kawahara
David Doezema

LOS ANGELES
Kathleen H. Head
James A. Rabe
Gregory D. Soo-Hoo
Kevin E. Engstrom
Julie L. Romey

SAN DIEGO
Paul C. Marra

To: Ann Sewill, Vice President of Housing & Economic Development
California Community Foundation

From: Kathleen Head

Date: June 5, 2017

Subject: City of Los Angeles: Proposed Affordable Housing Linkage Fee

At your request, Keyser Marston Associates, Inc. (KMA) evaluated the following issues that have been brought up in the discussions involving the Affordable Housing Linkage Fee (AHLF) being proposed for the City of Los Angeles (City):

1. Will the AHLF cause a reduction in the production of housing in Los Angeles?
2. Will the AHLF cause market rents to increase in Los Angeles?
3. Will the AHLF displace low and moderate income households from housing opportunities in Los Angeles?
4. Does the AHLF represent an onerous financial burden on developers in Los Angeles?
5. What impact will the AHLF have on land prices in Los Angeles?
6. What impact will the AHLF have on the affordable housing shortfall in Los Angeles?

The following analysis discusses both residential impact fee programs and inclusionary housing programs. The primary difference between the two types of programs are:

1. Inclusionary housing programs focus on the production of affordable housing within market rate projects. These programs commonly include an option for developers to pay a fee in lieu of producing on site within market rate projects.

2. Residential impact fee programs focus on the use of fees to assist affordable housing projects. The on-site production of affordable housing units is often offered as an alternative to paying the impact fee.

The Palmer decision in 2009 limited the opportunities for imposing inclusionary housing requirements on rental projects.[1] In turn, many cities undertook nexus studies and replaced inclusionary housing programs with residential impact fee programs.

HOUSING PRODUCTION

To test the impact residential impact fees have on the production of housing, KMA compiled information from Pasadena, Santa Monica, West Hollywood and San Diego; each city has a long running program. These programs all include in-lieu fees and/or impact fees, and each city prepared a nexus study in support of the fee.

To test the programs' impact on housing production, KMA analyzed residential building permit information for the 10 years preceding and following the adoption of the program. The results of this analysis are presented in Appendix A.

As can be seen in Appendix A, there is no evidence that the adoption of an inclusionary housing program had any impact on development. Housing production increased and decreased before and after inclusionary housing requirements were adopted. These swings are clearly attributable to factors unrelated to the imposition of affordable housing requirements.

IMPACT ON MARKET RENTS

Critics of the proposed AHLF contend that market rents in Los Angeles will increase if a linkage fee is adopted. The following factors argue against this notion:

[1] Palmer/Sixth Street Properties L.P. v. City of Los Angeles.

1. There is no evidence that the adoption of the AHLF will act to reduce housing production in Los Angeles.

2. As a general rule, developers set rents/sales prices at the maximum amounts that the market will bear. The imposition of a fee does not change market conditions.

3. It has been estimated by the Harvard Joint Center for Housing Studies that 380,000 new rental units would need to be built in Los Angeles to catch up with the demand. Given that approximately 13,500 units per year have been permitted over the past four years, it is clear that demand will continue to outpace supply with our without the AHLF. The AHLF merely gives the City the opportunity to assist in attracting additional affordable units.

4. If the AHLF is adopted, projects that use the density bonus provided by Measure JJJ would not be required to pay the linkage fee. In addition, projects that use the maximum 35% density bonus provided by Government Code Section 65915 would be exempt from the linkage fee if an additional 3% of the base units are dedicated to very-low income households. This assists the City in attracting affordable units within market rate projects.

TENANT DISPLACEMENT

It has been contended that low and moderate income households that currently occupy market rate units will be displaced if the AHLF is adopted. Again, this contention is directly associated with the theory that housing production will be reduced if the AHLF is adopted. Moreover, it is important to understand that the new market rate projects being built in Los Angeles have rents that far exceed the prices that can be afforded by low and moderate income families.

To illustrate the gap between the monthly rents being charged in newer projects in Los Angeles, and the amounts extremely low, very low, and low income households can afford, KMA surveyed market rents in four Los Angeles areas. The analysis is presented in Appendices B and C, and can be summarized as follows:

	Gap Between Market & Affordable Rents		
	Extremely Low Income	Very Low Income	Low Income
Hollywood	$4,157-$6,704	$3,951-$6,413	$3,817-$6,267
Southwest Valley	$2,672-$3,665	$2,445-$3,374	$2,332-$3,228
Central LA	$2,944-$5,131	$2,717-$4,839	$2,604-$4,693
Mid-City West	$2,509-$3,856	$2,282-$3,564	$2,169-$3,419

As can be seen in the preceding table, the gap between the prevailing market rents and the affordable rents range from $2,169 to $6,704 per month. It is unreasonable to assume that enough new housing can be developed to cause the rents at existing projects to fall to affordable levels. As such, a simple supply-side approach to residential development is not a viable option for solving the current affordability crisis. The purpose of the AHLF is to provide a resource to assist the City in ensuring that affordable housing can actually be produced.

FINANCIAL BURDEN

An issue has been raised that the AHLF will place an undue financial burden on market rate development. It has been KMA's experience that the following series of events occurs when new fees are imposed:

1. Profits are reduced for developers that have already purchased land.
2. Developers that have not purchased land attempt to bargain for a lower land price.
3. Some property owners are reluctant to accept the fact that their land value has decreased, and they defer selling the property until prices increase.

The AHLF is structured to minimize the linkage fee's impacts in the following ways:

1. The linkage fee is proposed to be set at a level that is equal to approximately 1/3 of the legally supportable amount.

2. The proposed AHLF exempts all projects that have filed a complete entitlement application when the ordinance is adopted. In that way, projects that are already in the development process will not be impacted.

3. The linkage fee is proposed to be phased in over a six-month period. This provides developers with lead time to negotiate land prices with full knowledge of the linkage fee.

It is important to consider that the linkage fee represents a small percentage of a project's budget. Developers always face the risk that construction costs and interest rates will increase during the development process, and that expenses may be higher than expected during the project's operation. These are typical risks that developers take in return for receiving an entrepreneurial profit.

LAND PRICES

It has been theorized that the passage of the Measure JJJ affordable housing requirements caused land costs to increase for sites that do not trigger the JJJ requirements. There is not data to support this theory, and in fact, it is equally likely that land costs spiked as a result of purchasers trying to get vested in advance of the Measure S vote.

In any case, it should be assumed that any known cost increase, including a residential linkage fee, should reduce the land price a developer is willing to pay. However, given the intense market demand for residential development, it should be anticipated that the imposition of the AHLF will slow the speculative increase in land values, rather than stopping development activity.

ROLE OF THE AFFORDABLE HOUSING LINKAGE FEE

AHLF detractors criticize the proposed linkage fee, because it will not eliminate the affordable housing shortage in Los Angeles. However, studies have shown that well executed inclusionary housing programs have produced more affordable units than have been created through the use of the Low Income Housing Tax Credit program.

It is obvious that no single program can solve the affordable housing crisis, but the combination of the AHLF, the Measure H funds, the Section 65915 density bonus, and the affordability incentives provided by the Transit Oriented Communities program adopted in response to Measure JJJ can begin to reduce the shortfall. As state and federal affordable housing resources continue to diminish, it is clear that the City needs to take advantage of every possible opportunity to attract the development of more affordable housing in Los Angeles.

APPENDIX A

BUILDING PERMIT ANALYSIS
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

APPENDIX A: TABLE 1

PASADENA BUILDING PERMIT ACTIVITY
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

	Single Family Homes		Multifamily Homes		Total	
	Total	% Change	Total	% Change	Total	% Change
1991	86		24		110	
1992	31	-64%	395	1546%	426	287%
1993	27	-13%	64	-84%	91	-79%
1994	36	33%	95	48%	131	44%
1995	45	25%	126	33%	171	31%
1996	30	-33%	0	-100%	30	-82%
1997	92	207%	72		164	447%
1998	68	-26%	6	-92%	74	-55%
1999	52	-24%	0	-100%	52	-30%
2000	20	-62%	646		666	1181%
2001	57	185%	671	4%	728	9%
2002	23	-60%	529	-21%	552	-24%
2003	57	148%	988	87%	1,045	89%
2004	52	-9%	275	-72%	327	-69%
2005	81	56%	439	60%	520	59%
2006	53	-35%	495	13%	548	5%
2007	125	136%	287	-42%	412	-25%
2008	39	-69%	510	78%	549	33%
2009	20	-49%	4	-99%	24	-96%
2010	52	160%	4	0%	56	133%
2011	21	-60%	4	0%	25	-55%

APPENDIX A: TABLE 2

SANTA MONICA BUILDING PERMIT ACTIVITY [1]
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

	Single Family Homes		Multifamily Homes		Total	
	Total	% Change	Total	% Change	Total	% Change
1973	11		2,205		2,216	
1974	19	73%	511	-77%	530	-76%
1975	14	-26%	254	-50%	268	-49%
1976	12	-14%	374	47%	386	44%
1977	8	-33%	322	-14%	330	-15%
1978	16	100%	697	116%	713	116%
1979	20	25%	555	-20%	575	-19%
1980	10	-50%	466	-16%	476	-17%
1981	14	40%	188	-60%	202	-58%
1982	3	-79%	220	17%	223	10%
1983	6	100%	43	-80%	49	-78%
1984	7	17%	16	-63%	23	-53%
1985	25	257%	244	1425%	269	1070%
1986	39	56%	112	-54%	151	-44%
1987	65	67%	273	144%	338	124%
1988	68	5%	387	42%	455	35%
1989	190	179%	188	-51%	378	-17%
1990	71	-63%	308	64%	379	0%
1991	120	69%	219	-29%	339	-11%
1992	31	-74%	187	-15%	218	-36%
1993	12	-61%	110	-41%	122	-44%
1994	10	-17%	29	-74%	39	-68%
1995	6	-40%	60	107%	66	69%
1996	29	383%	166	177%	195	195%
1997	36	24%	272	64%	308	58%
1998	48	33%	760	179%	808	162%
1999	42	-13%	234	-69%	276	-66%
2000	55	31%	405	73%	460	67%
2001	43	-22%	196	-52%	239	-48%
2002	46	7%	185	-6%	231	-3%
2003	50	9%	224	21%	274	19%
2004	41	-18%	350	56%	391	43%
2005	68	66%	358	2%	426	9%
2006	38	-44%	200	-44%	238	-44%
2007	46	21%	587	194%	633	166%
2008	47	2%	140	-76%	187	-70%
2009	30	-36%	74	-47%	104	-44%
2010	22	-27%	280	278%	302	190%
2011	27	23%	303	8%	330	9%
2012	25	-7%	682	125%	707	114%
2013	33	32%	47	-93%	80	-89%
2014	46	39%	65	38%	111	39%
2015	50	9%	18	-72%	68	-39%
2016	35	-30%	5	-72%	40	-41%

[1] The inclusionary housing policy was originally adopted in 1983. A significant increase was made to the in-lieu fee in 2006.

APPENDIX A: TABLE 3

WEST HOLLYWOOD BUILDING PERMIT ACTIVITY [1]
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

	Single Family Homes		Multifamily Homes		Total	
	Total	% Change	Total	% Change	Total	% Change
1984	0		0		0	
1985	0		35		35	
1986	0		30	-14%	30	-14%
1987	0		122	307%	122	307%
1988	0		162	33%	162	33%
1989	3		151	-7%	154	-5%
1990	1	-67%	85	-44%	86	-44%
1991	0	-100%	50	-41%	50	-42%
1992	0		30	-40%	30	-40%
1993	2		46	53%	48	60%
1994	1	-50%	0	-100%	1	-98%
1995	2	100%	0		2	100%
1996	8	300%	0		8	300%

[1] The City was a part of unincorporated Los Angeles County until 1984.

APPENDIX A: TABLE 4

SAN DIEGO BUILDING PERMIT ACTIVITY
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

	Single Family Homes		Multifamily Homes		Total	
	Total	% Change	Total	% Change	Total	% Change
1993	1,574		1,146		2,720	
1994	1,615	3%	981	-14%	2,596	-5%
1995	1,444	-11%	1,121	14%	2,565	-1%
1996	1,765	22%	655	-42%	2,420	-6%
1997	2,832	60%	2,536	287%	5,368	122%
1998	2,818	0%	2,453	-3%	5,271	-2%
1999	2,207	-22%	4,511	84%	6,718	27%
2000	1,986	-10%	4,565	1%	6,551	-2%
2001	2,287	15%	4,348	-5%	6,635	1%
2002	2,470	8%	4,592	6%	7,062	6%
2003	1,969	-20%	4,934	7%	6,903	-2%
2004	1,691	-14%	4,349	-12%	6,040	-13%
2005	1,318	-22%	4,316	-1%	5,634	-7%
2006	924	-30%	3,158	-27%	4,082	-28%
2007	840	-9%	2,855	-10%	3,695	-9%
2008	660	-21%	1,678	-41%	2,338	-37%
2009	360	-45%	795	-53%	1,155	-51%
2010	555	54%	534	-33%	1,089	-6%
2011	467	-16%	2,148	302%	2,615	140%
2012	547	17%	3,299	54%	3,846	47%
2013	819	50%	4,603	40%	5,422	41%
2014	722	-12%	1,823	-60%	2,545	-53%
2015	1,306	81%	5,097	180%	6,403	152%
2016	882	-32%	5,154	1%	6,036	-6%

APPENDIX B
AFFORDABILITY GAP ANALYSIS
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

APPENDIX B: TABLE 1

AFFORDABILITY GAP ANALYSIS
HOLLYWOOD
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

			Extremely Low Income	Very Low Income	Low Income
I.	**Studio**				
	Market Rate Rents	[1]	$4,463	$4,463	$4,463
	Income Restricted Rents	[2]	306	533	646
	Affordability Gap		$4,157	$3,931	$3,817
II.	**One Bedroom**				
	Market Rate Rents	[1]	$5,207	$5,207	$5,207
	Income Restricted Rents	[2]	345	604	734
	Affordability Gap		$4,862	$4,603	$4,474
III.	**Two Bedrooms**				
	Market Rate Rents	[1]	$7,084	$7,084	$7,084
	Income Restricted Rents	[2]	380	672	818
	Affordability Gap		$6,704	$6,413	$6,267

[1] The market rents are based on the survey presented in APPENDIX C - TABLE 1.

[2] Based on the standards imposed by California Health & Safety Code Section 50053, and the 2016 household incomes published by the California Department of Housing & Community Development. The monthly utilities allowances are set at $34 for studio units; $44 for one-bedroom units; and $57 for two-bedroom units based on HACoLA utlility allowances effective on July 1, 2016. Assumes gas cooking, heating, water heating; basic electric; and air conditioning.

APPENDIX B: TABLE 2

AFFORDABILITY GAP ANALYSIS
SOUTHWEST VALLEY
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

			Extremely Low Income	Very Low Income	Low Income
I.	**Studio**				
	Market Rate Rents	1	$2,978	$2,978	$2,978
	Income Restricted Rents	2	306	533	646
	Affordability Gap		$2,672	$2,445	$2,332
II.	**One Bedroom**				
	Market Rate Rents	1	$3,263	$3,263	$3,263
	Income Restricted Rents	2	345	604	734
	Affordability Gap		$2,918	$2,658	$2,529
III.	**Two Bedrooms**				
	Market Rate Rents	1	$4,046	$4,046	$4,046
	Income Restricted Rents	2	380	672	818
	Affordability Gap		$3,665	$3,374	$3,228

[1] The market rents are based on the survey presented in APPENDIX C - TABLE 2.

[2] Based on the standards imposed by California Health & Safety Code Section 50053, and the 2016 household incomes published by the California Department of Housing & Community Development. The monthly utilities allowances are set at $34 for studio units; $44 for one-bedroom units; and $57 for two-bedroom units based on HACoLA utlility allowances effective on July 1, 2016. Assumes gas cooking, heating, water heating; basic electric; and air conditioning.

APPENDIX B: TABLE 3

AFFORDABILITY GAP ANALYSIS
CENTRAL LA
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

			Extremely Low	Very Low Income	Low Income
I.	**Studio**				
	Market Rate Rents	[1]	$3,250	$3,250	$3,250
	Income Restricted Rents	[2]	306	533	646
	Affordability Gap		$2,944	$2,717	$2,604
II.	**One Bedroom**				
	Market Rate Rents	[1]	$3,845	$3,845	$3,845
	Income Restricted Rents	[2]	345	604	734
	Affordability Gap		$3,500	$3,241	$3,111
III.	**Two Bedrooms**				
	Market Rate Rents	[1]	$5,511	$5,511	$5,511
	Income Restricted Rents	[2]	380	672	818
	Affordability Gap		$5,131	$4,839	$4,693

[1] The market rents are based on the survey presented in APPENDIX C - TABLE 3.

[2] Based on the standards imposed by California Health & Safety Code Section 50053, and the 2016 household incomes published by the California Department of Housing & Community Development. The monthly utilities allowances are set at $34 for studio units; $44 for one-bedroom units; and $57 for two-bedroom units based on HACoLA utlility allowances effective on July 1, 2016. Assumes gas cooking, heating, water heating; basic electric; and air conditioning.

APPENDIX B: TABLE 4

AFFORDABILITY GAP ANALYSIS
MID-CITY WEST
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

			Extremely Low	Very Low Income	Low Income
I.	**Studio**				
	Market Rate Rents	[1]	$2,815	$2,815	$2,815
	Income Restricted Rents	[2]	306	533	646
	Affordability Gap		$2,509	$2,282	$2,169
II.	**One Bedroom**				
	Market Rate Rents	[1]	$3,124	$3,124	$3,124
	Income Restricted Rents	[2]	345	604	734
	Affordability Gap		$2,779	$2,520	$2,390
III.	**Two Bedrooms**				
	Market Rate Rents	[1]	$4,236	$4,236	$4,236
	Income Restricted Rents	[2]	380	672	818
	Affordability Gap		$3,856	$3,564	$3,419

1 The market rents are based on the survey presented in APPENDIX C - TABLE 4.

2 Based on the standards imposed by California Health & Safety Code Section 50053, and the 2016 household incomes published by the California Department of Housing & Community Development. The monthly utilities allowances are set at $34 for studio units; $44 for one-bedroom units; and $57 for two-bedroom units based on HACoLA utlility allowances effective on July 1, 2016. Assumes gas cooking, heating, water heating; basic electric; and air conditioning.

APPENDIX C

RENT SURVEY
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

APPENDIX C - TABLE 1

RENT SURVEY
HOLLYWOOD
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

No.	Project Name	Address	Number of Bedrooms	Unit Size (SF)	Rent Total	Rent Per SF
1	Studios at Bronson	1417 N Bronson Ave.	0/1	400	$1,395	$3.49
2	Metwest	5837 W Sunset Blvd.	0/1	528	$1,850	$3.50
3	Eastown	6201 Hollywood Blvd.	0/1	624	$2,400	$3.85
4	Metwest	5837 W Sunset Blvd.	0/1	630	$2,190	$3.48
5	1600 Vine	1600 Vine St.	0/1	691	$2,756	$3.99
6	1600 Vine	1600 Vine St.	0/1	704	$2,767	$3.93
			Minimum	400	$1,395	$3.48
			Maximum	704	$2,767	$3.99
			Average	596	$2,226	$3.71
1	Hollywood View Towers	5724 Hollywood Blvd.	1/1	595	$2,150	$3.61
2	Metwest	5837 W Sunset Blvd.	1/1	602	$2,128	$3.53
3	Sterling Court Apartments	5409 Carlton Way	1/1	625	$1,735	$2.78
4	1600 Vine	1600 Vine St.	1/1	674	$2,865	$4.25
5	Eastown	6201 Hollywood Blvd.	1/1	685	$2,359	$3.44
6	Sunset + Vine	1555 N Vine St.	1/1	691	$2,825	$4.09
7	Metwest	5837 W Sunset Blvd.	1/1	692	$2,358	$3.41
8	Hollywood View Towers	5724 Hollywood Blvd.	1/1	694	$2,300	$3.31
9	The Camden	1540 N Vine St.	1/1	707	$3,399	$4.81
10	1600 Vine	1600 Vine St.	1/1	726	$2,716	$3.74
11	Sunset + Vine	1555 N Vine St.	1/1	839	$3,082	$3.67
12	The Camden	1540 N Vine St.	1/1	908	$3,859	$4.25
			Minimum	595	$1,735	$2.78
			Maximum	908	$3,859	$4.81
			Average	703	$2,648	$3.74
1	Metwest	5837 W Sunset Blvd.	2/2	904	$2,704	$2.99
2	Metwest	5837 W Sunset Blvd.	2/2	953	$3,152	$3.31
3	Sunset + Vine	1555 N Vine St.	2/2	1,001	$3,852	$3.85
4	Eastown	6201 Hollywood Blvd.	2/2	1,036	$3,135	$3.03
5	The Carlton at Hollywood	5845 Carlton Way	2/2	1,046	$3,095	$2.96
6	Hollywood View Towers	5724 Hollywood Blvd.	2/2	1,060	$2,895	$2.73
7	Hollywood View Towers	5724 Hollywood Blvd.	2/2	1,080	$2,495	$2.31
8	The Camden	1540 N Vine St.	2/2	1,104	$5,119	$4.64
9	Sunset + Vine	1555 N Vine St.	2/2	1,142	$4,005	$3.51
10	1600 Vine	1600 Vine St.	2/2	1,144	$4,897	$4.28
			Minimum	904	$2,495	$2.31
			Maximum	1,144	$5,119	$4.64
			Average	1,047	$3,535	$3.36

APPENDIX C - TABLE 2

RENT SURVEY
SOUTHWEST VALLEY
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

No.	Project Name	Address	Number of Bedrooms	Unit Size (SF)	Rent Total	Rent Per SF
1	Studio 77	5077 Lankershim Blvd. S1	0/1	475	$1,970	$4.15
2	Living at No Ho	11060 McCormick St V	0/1	565	$2,433	$4.31
3	Lofts at NoHo Commons	11136 Chandler Blvd G	0/1	580	$1,972	$3.40
4	Living at No Ho	11059 McCormick St Q	0/1	614	$2,313	$3.77
5	Living at No Ho	11136 Chandler Blvd G	0/1	750	$2,174	$2.90
6	Living at No Ho	11136 Chandler Blvd G	0/1	930	$2,540	$2.73
			Minimum	475	$1,970	$2.73
			Maximum	930	$2,540	$4.31
			Average	652	$2,234	$3.54
1	Studio 77	5077 Lankershim Blvd. A1	1/1	647	$2,260	$3.49
2	Studio 77	5077 Lankershim Blvd. A4	1/1	730	$2,330	$3.19
3	Living at No Ho	11060 McCormick St F	1/1	678	$2,455	$3.62
4	Living at No Ho	11060 McCormick St P	1/1	700	$2,523	$3.60
5	Living at No Ho	11060 McCormick St N	1/1	719	$2,485	$3.46
6	Living at No Ho	11060 McCormick St M	1/1	686	$2,533	$3.69
7	Living at No Ho	11060 McCormick St L	1/1	703	$2,600	$3.70
8	Living at No Ho	11060 McCormick St S	1/1	714	$2,658	$3.72
9	NoHo 14	5440 Tujunga Ave B	1/1	847	$2,925	$3.45
10	NoHo 14	5440 Tujunga Ave C	1/1	860	$3,150	$3.66
11	NoHo 14	5440 Tujunga Ave F	1/1	890	$3,180	$3.57
12	NoHo 14	5440 Tujunga Ave F	1/1	884	$3,335	$3.77
13	Avana North Hollywood	11201 Otsego St A1	1/1	640	$2,073	$3.24
14	Avana North Hollywood	11201 Otsego St A2	1/1	647	$2,135	$3.30
15	Avana North Hollywood	11201 Otsego St A3	1/1	715	$2,162	$3.02
16	Windfaire Apartments	11047 Otsego St M	1/1	800	$1,780	$2.23
17	Windfaire Apartments	11047 Otsego St M	1/1	800	$1,755	$2.19
18	The Social	11011 Huston St J	1/1	830	$2,316	$2.79
19	Living at No Ho	11136 Chandler Blvd G	1/1	930	$2,446	$2.63
			Minimum	640	$1,755	$2.19
			Maximum	930	$3,335	$3.77
			Average	759	$2,479	$3.28
1	Studio 77	5077 Lankershim Blvd. B2	2/2	952	$2,505	$2.63
2	Studio 77	5077 Lankershim Blvd. B4	2/2	984	$2,730	$2.77
3	Studio 77	5077 Lankershim Blvd. B6	2/2	1,251	$2,833	$2.26
4	Studio 77	5077 Lankershim Blvd. B5L	2/2	1,105	$3,500	$3.17
5	Living at No Ho	11060 McCormick St F	2/2	1,030	$3,340	$3.24
6	Living at No Ho	11060 McCormick St B	2/2	967	$3,195	$3.31
7	Living at No Ho	11060 McCormick St D	2/2	950	$3,225	$3.39
8	Living at No Ho	11060 McCormick St G	2/2	1,072	$3,463	$3.23
9	NoHo 14	5440 Tujunga Ave F	2/2	1,268	$3,835	$3.02
10	NoHo 14	5440 Tujunga Ave C	2/2	1,261	$3,890	$3.08

APPENDIX C - TABLE 2

RENT SURVEY
SOUTHWEST VALLEY
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

No.	Project Name	Address	Number of Bedrooms	Unit Size (SF)	Rent Total	Rent Per SF
11	NoHo 14	5440 Tujunga Ave I	2/2	1,356	$3,668	$2.70
12	NoHo 14	5440 Tujunga Ave E	2/2	1,266	$3,690	$2.91
13	NoHo 14	5440 Tujunga Ave K	2/2	1,512	$3,955	$2.62
14	NoHo 14	5440 Tujunga Ave D	2/2	1,264	$3,768	$2.98
15	Otsego St	11130 Otsego St #515	2/2	1,105	$3,500	$3.17
16	Avana North Hollywood	11201 Otsego St B1	2/2	969	$2,512	$2.59
17	Avana North Hollywood	11201 Otsego St B3	2/2	983	$2,529	$2.57
18	Avana North Hollywood	11201 Otsego St B2	2/2	980	$2,592	$2.64
19	Avana North Hollywood	11201 Otsego St B4	2/2	1,039	$2,674	$2.57
20	Windfaire Apartments	11047 Otsego St D	2/2	1,148	$2,450	$2.13
21	Windfaire Apartments	11047 Otsego St D	2/2	1,148	$2,412	$2.10
22	Windfaire Apartments	11047 Otsego St D	2/2	1,148	$2,512	$2.19
23	Windfaire Apartments	11047 Otsego St C	2/2	1,080	$2,562	$2.37
24	Windfaire Apartments	11047 Otsego St C	2/2	1,080	$2,452	$2.27
25	The Social	11011 Huston St F	2/2	1,111	$2,772	$2.50
26	The Social	11011 Huston St A	2/2	1,110	$2,789	$2.51
27	The Social	11011 Huston St B	2/2	1,127	$2,781	$2.47
28	The Social	11011 Huston St B	2/2	1,127	$2,766	$2.45
29	The Social	11011 Huston St G	2/2	1,186	$2,808	$2.37
30	The Social	11011 Huston St B	2/2	1,127	$2,794	$2.48
			Minimum	950	$2,412	$2.10
			Maximum	1,512	$3,955	$3.39
			Average	1,124	$3,017	$2.69

APPENDIX C - TABLE 3

RENT SURVEY
CENTRAL LA
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

No.	Project Name	Address	Number of Bedrooms	Unit Size (SF)	Rent Total	Rent Per SF
1	The Avalon Catalina Apartments	324 S Catalina St.	0/1	375	$1,395	$3.72
2	Hampshire Place	501 S New Hampshire Ave.	0/1	455	$1,647	$3.62
3	Wilshire Vermont	3183 Wilshire Blvd.	0/1	496	$1,828	$3.69
4	K2 Apartments	688 S Berendo St.	0/1	513	$2,059	$4.01
5	3033 Wilshire	3033 Wilshire Blvd.	0/1	701	$2,725	$3.89
6	The Abbey	3550 W 6th St.	0/1	779	$2,300	$2.95
			Minimum	375	$1,395	$2.95
			Maximum	779	$2,725	$4.01
			Average	553	$1,992	$3.65
1	685 Berendo	685 S Berendo St.	1/1	579	$2,374	$4.10
2	Hampshire Place	501 S New Hampshire Ave.	1/1	589	$1,773	$3.01
3	K2 Apartments	688 S Berendo St.	1/1	591	$2,140	$3.62
4	Versailles Koreatown	918 S Oxford St.	1/1	615	$1,844	$3.00
5	K2 Apartments	688 S Berendo St.	1/1	631	$2,355	$3.73
6	Versailles Koreatown	918 S Oxford St.	1/1	647	$2,066	$3.19
7	Westmore on Wilshire	3075 Wilshire Blvd.	1/1	655	$2,113	$3.23
8	Wilshire Vermont	3183 Wilshire Blvd.	1/1	705	$2,128	$3.02
9	3033 Wilshire	3033 Wilshire Blvd.	1/1	852	$3,300	$3.87
10	3033 Wilshire	3033 Wilshire Blvd.	1/1	918	$3,275	$3.57
			Minimum	579	$1,773	$3.00
			Maximum	918	$3,300	$4.10
			Average	678	$2,337	$3.43
1	Westmore on Wilshire	3075 Wilshire Blvd.	2/2	912	$2,750	$3.02
2	685 Berendo	685 S Berendo St.	2/2	966	$3,419	$3.54
3	Versailles Koreatown	918 S Oxford St.	2/2	987	$2,689	$2.72
4	Versailles Koreatown	918 S Oxford St.	2/2	1,008	$2,731	$2.71
5	K2 Apartments	688 S Berendo St.	2/2	1,030	$3,385	$3.29
6	K2 Apartments	688 S Berendo St.	2/2	1,039	$3,300	$3.18
7	Wilshire Vermont	3183 Wilshire Blvd.	2/2	1,048	$2,854	$2.72
8	Wilshire Vermont	3183 Wilshire Blvd.	2/2	1,062	$2,887	$2.72
9	3033 Wilshire	3033 Wilshire Blvd.	2/2	1,379	$4,912	$3.56
10	3033 Wilshire	3033 Wilshire Blvd.	2/2	1,408	$5,130	$3.64
			Minimum	912	$2,689	$2.71
			Maximum	1,408	$5,130	$3.64
			Average	1,084	$3,406	$3.11

APPENDIX C - TABLE 4

RENT SURVEY
MID-CITY WEST
IMPACT FEE ANALYSIS
CALIFORNIA COMMUNITY FOUNDATION
LOS ANGELES, CALIFORNIA

No.	Project Name	Address	Number of Bedrooms	Unit Size (SF)	Rent Total	Rent Per SF
1	Wooster	835 S Wooster St	0/1	500	$1,750	$3.50
2	Wooster	835 S Wooster St	0/1	500	$1,750	$3.50
			Minimum	500	$1,750	$3.50
			Maximum	500	$1,750	$3.50
			Average	500	$1,750	$3.50
1	Wooster	1519 S Wooster St #5	1/1	680	$1,675	$2.46
2	Wooster	835 S Wooster St	1/1	708	$1,995	$2.82
3	Wooster	835 S Wooster St	1/1	708	$1,995	$2.82
4	Robertson	1728 Roberston Bl	1/1	720	$2,195	$3.05
5	Landmark Apartments	1138 S Corning Street	1/1	800	$1,875	$2.34
6	Wooster	1136 Wooster St #308	1/1	800	$2,198	$2.75
			Minimum	680	$1,675	$2.34
			Maximum	800	$2,198	$3.05
			Average	736	$1,989	$2.71
1	Alcott	8554 Alcott St	2/1	850	$1,240	$1.46
2	Wooster	1475 Wooster St #3	2/1.5	850	$2,195	$2.58
3	Chalmers	8674 Chalmers Dr #1	2/2	900	$2,750	$3.06
4	Wooster	1000 South Wooster St	2/1	1,000	$2,000	$2.00
5	Holt	1033 Holt Ave #1	2/2	1,000	$2,595	$2.60
6	Chalmers	8664 Chalmers Dr #3	2/2	1,100	$2,095	$1.90
7	Wooster	1422 S Wooster St	2/2	1,100	$2,800	$2.55
8	Shenandoah	1481 S Shenandoah St	2/2	1,200	$3,100	$2.58
9	Shenandoah	1481 S Shenandoah St	2/2	1,200	$3,050	$2.54
10	Holt	1025 S Holt Ave #206	2/2	1,250	$2,795	$2.24
11	Sherbourne	1216 S Sherbourne Dr #202	2/3	1,275	$2,750	$2.16
12	Bedford	858 S Bedford St	2/2.5	1,320	$3,000	$2.27
13	Sherbourne	1216 S Sherbourne Dr #101	2/2	1,345	$2,800	$2.08
14	Corning	1260 Corning St #304	2/2	1,445	$3,300	$2.28
15	Corning	1260 Corning St #405	2/2	1,445	$3,300	$2.28
			Minimum	850	$1,240	$1.46
			Maximum	1,445	$3,300	$3.06
			Average	1,152	$2,651	$2.31

Google Groups

Council File # 17-0274 - Affordable Housing Linkage Fee = General Comments

Will Wright Jun 6, 2017 3:36 PM
Posted in group: **Clerk-PLUM-Committee**

Councilmember Huizar, Harris-Dawson, Cedillo, Englander and Price:

As the Director of Government & Public Affairs for the Los Angeles Chapter of The American Institute of Architects, I am writing to share my concerns and general comments on the proposed Affordable Housing Linkage Fee (AHLF), which is being herd before PLUM on Tuesday, June 6, 2017.

We commend the leadership of the Department of City Planning on drafting such an instrumental ordinance and we remain encouraged by their willingness to involve the architecture community early and often in the shaping of policies that will greatly impact the built environment of the city.

The AIA|LA is takes our region's housing crisis seriously and we whole-heartedly agree that we need to allocate revenue streams to fund more affordable housing citywide.

We encourage you to form a task-force of stakeholders and to work with us to identify best-practices in generating dedicated revenue streams for affordable housing. We also want to work with you on strategies to enable the private sector to deliver to the market housing more efficiently and with better quality results that amplify the livability and heritage of our city.

We want to make sure that the AHLF actually achieves the intended results and generates more affordable housing instead of driving the overall cost of housing production to untenable levels.

FOR THE RECORD, we seek greater clarity on Section 21.18.2 Applicability of the ordinance:

With exemption #2, if a housing development contains at least 40% affordable units for moderate income households, is the entire project exempt from paying the fee? If yes, then excellent. Or are only the 40% of the units exempt from paying the fee - with the other 60% of the units liable to pay the fee? Please clarify. We've heard two different interpretations.

Also, with exemption #3, we encourage you to include "partially funded" in addition to 'being constructed by, or on behalf of, a government or public institution.

Also, we seek greater clarify on how the production of housing in general exacerbates the need and increases the demand for affordable housing. That nexus is not immediately obvious and may lend itself to gross misinterpretation. While we are supportive of equitable, reasonable fees that are allocated smartly, we want to make sure that the narrative to support these proposed fees are more widely-understood.

In fact, there may be legal vulnerabilities with that nexus of these fees due to the fact that you are allocating a fee of $12 per square foot for residential projects of six or more units, while only allocating a fee of $1 per square foot for projects of five or less units. What justifies the difference?

That differential may create inequities in the market that are not legally defensible to the validity of your nexus and create confusion, in general, on how housing production in general increased the demand for affordable housing when, on the contrary, it seems that by adding to the supply of housing will actually relieve market pressures, and therefore, increase housing affordability overall.

I look forward to further engaging you on these matters and working together to identify sustainable and lasting solutions to achieve greater housing affordability region-wide.

Will Wright, Hon. AIA|LA
Director, Government and Public Affairs

AIA Los Angeles
3780 Wilshire Blvd., Suite 701
Los Angeles, CA 90010
213.639.0764 *office*
310.309.9580 *mobile*
213.639.0767 *fax*
will@aialosangeles.org
www.aialosangeles.org

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My name is John Perfitt and I reside at 180 S Citrus Avenue. I am the Executive Director of Restore Neighborhoods Los Angeles and I am on the Greater Wilshire Neighborhood Council Land Use Committee.

I have significant concerns about the linkage fee and believe that thoughtful elected officials should too. As a builder in the City of LA, I know firsthand how difficult and expensive it is to work in this city. Anyone that says otherwise, probably has not done it. A linkage fee combined with the latest update to the Quimby Ordinance is big burden on housing production.

If another fee is indeed approved, I urge city officials to use revenues to facilitate production of affordable housing in new and innovative ways. The old ways are not working. Look at results-based delivery systems that provide financial incentives for good public policy outcomes. Work with and leverage the great work that many Community Development Finance Institutions are doing. Get serious about harnessing the expansion of social impact investing. Work to reform the myriad requirements that burden housing production, including, the requirement to pay prevailing wage. Before subjecting new development to yet another fee, require an innovative implementation plan that truly leverages other resources. Thank you.