



December 12, 2017

CP-17-0274

From: Abundant Housing LA
To: Los Angeles City Council
Re: Affordable Housing Linkage Fee

Dear Council Members.

Abundant Housing LA writes to encourage City Council to amend the draft Affordable Housing Linkage Fee (CPC-2016-3431-CA) to exempt workforce housing developments, developments in lower income areas, and smaller, naturally-affordable residential developments.

Abundant Housing LA is a volunteer organization with 1300 members that supports more housing of all types in Los Angeles. We fully support the underlying goal of the proposed linkage fee: establishing a permanent source of funding for affordable housing in the City of Los Angeles. We have, however, consistently opposed the proposed linkage fee because it would raise the cost of constructing market rate housing in order to fund affordable housing. Los Angeles needs more of both.

Our legislative agenda suggests three good sources of funding that would not raise the cost of building homes: the short term rental tax, a higher real estate transfer tax on larger sales, and revenues from the lease or sale of city owned properties.

Since the linkage fee is being heard by council, we strongly encourage that it be amended to:

1. **exempt workforce housing.** Workforce housing is homes targeted to residents earning between 120% and 150% of AMI. These homes are badly needed to prevent Los Angeles from becoming a city with a "hollowed out" middle, where only the wealthy or lower income residents in subsidized housing can live.
2. **set the linkage fee at zero for the lowest tier market areas.** These areas have experienced decades of redlining, capital flight and under-investment and the City should be encouraging rather than discouraging new development there.
3. **exempt smaller residential developments.** Small to mid-scale missing-middle developments are more likely to have lower construction costs and therefore to become 'naturally occurring' affordable housing. Residential projects (or the residential component of mixed use projects) with 25 units or less OR a built FAR of less than 2.0 should be exempt.

While we continue to believe that there are better ways to fund affordable housing, if the linkage fee is amended to address these concerns, we are prepared to remove our opposition to its passage.

Thank you for considering our views.

A handwritten signature in black ink, consisting of a stylized 'M' followed by a horizontal line.

Mark Vallianatos, Policy Director