

AMENDMENT

AHLF Implementation & Performance Look Back

This amendment will provide a comprehensive review of the Affordable Housing Linkage Fee two years after its implementation. This requirement will allow the City to have a complete overview of the fees performance and its consequences, and provide recommendations on whether adjustments are needed.

I THEREFORE MOVE that the City Planning Commission Report and proposed Affordable Housing Linkage Fee ordinance (CF# 17-0274), BE AMENDED to:

1. Require a comprehensive study, drafted by both the Department of City Planning (DCP) and the Housing and Community Investment Department (HCIDLA), to be completed within 24 months after adoption and implementation of said ordinance at final rates. Aforementioned report will include information related to the impacts of the Affordable Housing Linkage Fee (AHLF) on housing production, housing costs, and commercial development. As well as the distribution of funds in the Housing Impact Trust Funds including types of housing supported/created, implementation of the fee including the information on the performance of the geographical component, and recommendations for ensuring the continued viability of the AHLF balanced against the need for continued robust housing production. Thereafter a report will be required on a yearly basis outlining the effects of the AHLF on housing production and costs, and recommendations may be made.

PRESENTED BY:



BOB BLUMENFIELD
Councilmember, 3rd District

Date: 8/22/17
Submitted in PLUM Committee
Council File No: 17-0274
Item No.: 4
~~_____~~ Communication
from Council District 3

AMENDMENT

AHLF Penalty for Net Loss of Housing

Housing production is needed Citywide at all income levels. Any project that proposes to develop an infill project that removes units from the marketplace and replace them with fewer than what existed are contributing to the problem no the solution.

I THEREFORE MOVE that the City Planning Commission Report and proposed Affordable Housing Linkage Fee ordinance (CF# 17-0274), BE AMENDED to:

Increase the residential Affordable Housing Linkage Fee, irrespective of geographical market area, by \$3 per square foot for any project that results in a net loss of housing units from what previously existed on-site.

PRESENTED BY:



BOB BLUMENFIELD
Councilmember, 3rd District

AMENDMENT

AHLF Economic Trigger

The debate over the Affordable Housing Linkage Fee has laid bare conflicting viewpoints over how much the fee will impact housing production and costs. The need for a permanent source of funding for affordable housing is necessary, but not at all costs. If the fee has unintended consequences a trigger is necessary to review the fee. This trigger should also be in place if an external source causes economic conditions to deteriorate to the point that the fee is impractical or overly burdening housing production.

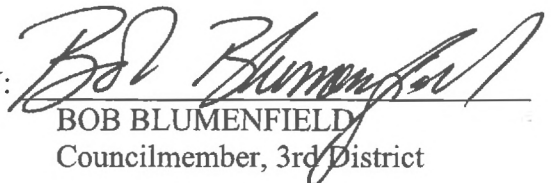
I THEREFORE MOVE that the City Planning Commission Report and proposed Affordable Housing Linkage Fee ordinance (CF# 17-0274), BE AMENDED to include:

A report to City Council will be required if economic, housing, or real estate conditions deteriorate to the point of imperiling housing production or the economic viability of charging the AHLF. Events that would trigger this study include, but are not limited to,

- Housing production falls below 10,000 units per year
- An economic recession or depression
- Property values fall by 5% or more
- Housing and/or rental prices fall by 5% or more
- Housing and/or rental costs rise by more than 10%
- Natural Disaster that impacts the economy

Aforementioned report will include an analysis of what precipitated this event, if the AHLF exacerbated it, the impacts to housing production, overall performance of the AHLF, and recommendations on whether the fee should be suspended, lowered, or addressed in other ways. The report shall be submitted to Council within 90 days of this economic event.

PRESENTED BY:


BOB BLUMENFIELD
Councilmember, 3rd District

AMENDMENT

AHLF Small Multi-Family Buildings

Small multi-family buildings, between 1 and 5 units, are exempt from the draft of the Affordable Housing Linkage Fee ordinance. In many parts of the City these can be considered to be naturally occurring affordable housing units. However, in high market areas, or areas with higher housing costs and incomes, these units can be the most lucrative or viable typology (based on parcel size) in the area and cutting them out will decrease overall AHLF revenues.

I THEREFORE MOVE that the City Planning Commission Report and proposed Affordable Housing Linkage Fee ordinance (CF# 17-0274), BE AMENDED to:

Remove the exemption for small multi-family buildings in the geographical areas that are deemed high markets while leaving the exemption in place for all other market areas.

PRESENTED BY:



BOB BLUMENFELD
Councilmember, 3rd District

AMENDMENT


AHLF Single Family Home Exemption

The City of Los Angeles has a housing crisis, and the predominate amount of new single family homes are built to appeal to the high end of the market (i.e. luxury). Single family homes are no exception. Many existing small family homes today are extensively remodeled or flipped with large new additions that increase their value and decrease their accessibility. This is true of new construction of single family homes as well. Many are out of reach do to not only their location and construction costs but also their size. These large homes also can induce the need for more low wage jobs to deal with a variety of work in maintaining the homes. More must be done to encourage production of homes that will meet our demand in all markets.

I THEREFORE MOVE that the City Planning Commission Report and proposed Affordable Housing Linkage Fee ordinance (CF# 17-0274), BE AMENDED to:

Reduce the exemption for single family home construction and additions from 1,500 square feet to 750 square feet.

PRESENTED BY:


BOB BLUMENFIELD
Councilmember, 3rd District

AMENDMENT


AHLF Expenditure Plan & the "Missing Middle"

The City of Los Angeles has a housing crisis, and more specifically an affordable housing crisis. This crisis has hit our most vulnerable the hardest, creating housing concerns and burdens for many. It has pushed many into homelessness or precarious financial situations, and increased the city's need for a permanent source of affordable housing funds. Not only are our most vulnerable at risk, but also the working class and middle class. Housing costs have risen so high so fast that even two working adults can be burdened with rents. Concrete solutions are needed for all income levels including those in the moderate and workforce housing income brackets.

I THEREFORE MOVE that the City Planning Commission Report and proposed Affordable Housing Linkage Fee ordinance (CF# 17-0274), BE AMENDED to:

Require any future expenditure plan for the Housing Impact Trust Fund to include funding for the creation and preservation of moderate, workforce, and middle income housing to ensure a sustainable production of housing for our "missing middle." In addition the Department of City Planning, in conjunction with HCID, shall produce recommendations for ways to incentivize these types of housing and create a plan for leveraging the funds from the AHLF to create more of these housing types.

PRESENTED BY:


BOB BLUMENFIELD
Councilmember, 3rd District

AMENDMENT

AHLF Phased In Fee

Property, land, and housing prices will need time to adjust and fully absorb the new Affordable Housing Linkage Fee. A gradual and incremental implementation of the AHLF will help to ease this transition while still enabling the collection of fees.

I THEREFORE MOVE that the City Planning Commission Report and proposed Affordable Housing Linkage Fee ordinance (CF# 17-0274), BE AMENDED to:

To implement the Affordable Housing Linkage Fee through a phased in approach over 2 years. The first year being one half of the adopted fee levels, and the second year the full amount of adopted fees.

PRESENTED BY:



BOB BLUMENFIELD
Councilmember, 3rd District