



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 17 - 0 3 6 0  
OCT 1 8 2017

**REPORT RE:**

**REVISED DRAFT ORDINANCES AMENDING SECTION 16.02 OF AND  
ADDING SECTION 19.18 TO THE LOS ANGELES MUNICIPAL CODE TO  
ESTABLISH AN AFFORDABLE HOUSING LINKAGE FEE; AND ADDING SECTION  
5.582 TO CHAPTER 176 TO THE LOS ANGELES ADMINISTRATIVE CODE TO  
CREATE THE HOUSING IMPACT TRUST FUND FOR THE RECEIPT AND  
USE OF LINKAGE FEE MONIES**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Council File No. 17-0274

**Honorable Members:**

On October 6, 2017, this Office transmitted two draft ordinances, approved as to form and legality, for your consideration. The first draft ordinance adds Section 19.18 to the Los Angeles Municipal Code (LAMC) and amends Section 16.02 of the LAMC to establish an Affordable Housing Linkage Fee (AHLF Ordinance). The second draft ordinance adds Section 5.582 to Chapter 176 to the Los Angeles Administrative Code (LAAC) to create the Housing Impact Trust Fund for the receipt and use of Affordable Housing Linkage Fee monies (Trust Fund Ordinance). (City Attorney Report No. R17-0345.)

At its meeting on October 10, 2017, the Planning and Land Use Management (PLUM) Committee requested that this office transmit revised draft ordinances to include several changes, including corrections and clarifications to certain provisions of the draft AHLF Ordinance to be consistent with the amendments requested by the

PLUM Committee when it considered the Planning Department's proposed ordinance on August 22, 2017. The revised draft AHLF Ordinance exempts all hospitals from the Linkage Fee requirement and provides a definition of "hospital" for purposes of this ordinance. That definition is modeled after the definition of "health facility" in the state's Health and Safety Code (Cal. Health and Safety Code Section 1250). The revised draft AHLF Ordinance adjusts the implementation timeline of the ordinance in accordance with the PLUM Committee's request to extend the timeline to eighteen months from one year, with the amount of the total linkage fee being imposed increasing by one-third every six months; no fee is imposed for the first six months. The revised draft AHLF Ordinance also specifies that within the phase-in periods established by the regulations, the fee amount owed by a development project is based on the date a complete building permit application or complete planning and zoning entitlement application is submitted to the City. Finally, the revised draft AHLF Ordinance includes technical changes and clarifications requested by the Department of Building and Safety in response to the letter sent to the department by this office pursuant to Council Rule 38.

Additionally, the revised draft Trust Fund Ordinance modifies the Housing and Community Investment Department's (HCID) annual reporting requirements to include the establishment of an oversight committee, whose recommendations regarding the fee in relation to market conditions may be included in HCID's annual report.

#### California Environmental Quality Act (CEQA) Standard of Review

The revision to the draft AHLF and Trust Fund Ordinances as described above does not alter the findings required by the California Environmental Quality Act, as discussed in City Attorney Report No. R17-0345.

#### Notice Requirements

We note that, because the revised draft AHLF Ordinance would impose a new fee, notice of its proposed adoption should be given in accordance with the provisions of California Government Code Sections 66018 and 6062a. Those sections of State law require that prior to adoption of a new or increased fee a public hearing be held and notice of that hearing be published in a newspaper with two publications at least five days apart over a ten-day period. The notice period begins the first day of publication, and there must be at least five days intervening between the first and the second publications, not counting the dates of publication.

#### Council Rule 38 Referral

A copy of the draft ordinances were sent, pursuant to Council Rule 38, to the Department of Building and Safety and the Housing and Community Investment Department. The departments were requested to report their comments, if any, directly to the City Council or its Committee when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Adrienne Khorasanee at (213) 978-8246. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON  
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DM:ASK:mgm  
Transmittal