

HOUSING COMMITTEE REPORT relative to establishing fees for the preparation and enforcement of affordable housing covenants, and resolution authority for four new positions in the Los Angeles Housing and Community Investment Department's (HCIDLA) Land Use Unit.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. REQUEST the City Attorney prepare and present an ordinance in 30 days amending Section 19.14 of the Los Angeles Municipal Code (LAMC) to establish fees for the preparation and enforcement of all affordable housing covenants and related enforcement efforts required by City ordinances, regulations, and Department of City Planning determinations; to allow for partial fee exemptions in specified circumstances to ensure fees do not discourage the development of affordable housing; and, to include an exemption of the initial covenant preparation fee, monitoring fees, and filing fees for at least 50% permanent supportive housing developments using the Density Bonus Program.
2. RESOLVE that position authority for four new Management Analyst I (9184-1) positions for the HCIDLA's Land Use Unit is APPROVED and CONFIRMED for the period October 1, 2016 through June 30, 2017, subject to allocation by the Civil Service Commission.
3. DIRECT the HCIDLA to report to the Mayor and Council in six months with an assessment of the workload for affordable housing covenant and related enforcement work, and after consulting with affordable housing developers relative to the improvement of the customer service delivery process.
4. AUTHORIZE the General Manager, HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with this action, subject to the approval of the City Administrative Officer (CAO); and, AUTHORIZE the Controller to implement the instructions.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. The above recommendations comply with City financial policies as the proposed fees are fair and recover the full cost of providing services.

Community Impact Statement: None submitted.

(Personnel and Animal Welfare Committee waived consideration of the above matter)

SUMMARY

In a report to the Mayor and Council dated September 16, 2016, the CAO states that HCIDLA recommends amending LAMC to establish fees for the preparation and enforcement of all affordable housing covenants and related enforcement efforts required by City ordinances, regulations, and Department of City Planning determinations. According to the CAO, the HCIDLA proposal includes partial fee exemptions in specified circumstances.

The CAO reports that HCIDLA proposes five categories of fees. Fees would be paid by developers on a per project or per unit basis depending on the type of work to be performed to

be paid at the time the project application is filed by the developer. HCIDLA estimates that the proposed fees will generate \$1,677,722 per year in additional revenue for the City. The proposed fees are summarized in the CAO report.

The CAO goes on to report that HCIDLA requests resolution authority for four Management Analyst I positions to expand HCID's capacity to process affordable housing land use covenants and related enforcement activities, including a current backlog of 959 land use covenants and 500 Mello Determination applications. The CAO recommends approving only two new positions at this time, stating that current vacancies can be filled to expand the unit's processing capacity. The CAO believes that additional analysis is needed to more accurately determine future workload and the appropriate level of staff needed. The CAO also recommends that Council request the City Attorney to prepare an ordinance to establish the requested fees.

At its meeting held September 21, 2016, the Housing Committee discussed this matter with representatives of the CAO and HCIDLA. The General Manager, HCIDLA, stated that the proposed fees will bring new units of affordable housing to the market more quickly, promote the availability of affordable units to eligible tenants, and enable the Department to better enforcement affordability covenants. It was further stated that an analysis of the projected workload increase supports the request for hiring four new Management Analysts. The General Manager asked the Committee to approve resolution authority for the four positions now, going on to state that even more positions may be needed in the future.

During the public comment period, those who spoke in favor of the proposal stated affordable housing developers are concerned about the backlog of new projects awaiting approval. Support was expressed for the fees on a go-forward.

The Housing Committee recommended that Council approve the CAO's recommendations relative to this matter, as amended to approve four new Management Analyst positions for HCIDLA and to direct the Department to report in six months with recommendations for any additional staff needed, and on the delivery of customer service. Committee further amended the CAO recommendations to request that the City Attorney's draft ordinance include partial fee exemptions and exemptions of certain fees in order to promote the development of new affordable housing.

Respectfully Submitted,

HOUSING COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|--|-------------|
| CEDILLO:  | YES |
| KORETZ: | ABSENT |
| HUIZAR: | ABSENT |

PRICE: YES
HARRIS-DAWSON: YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-