

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 28, 2022

CAO File No. 0220-06001-0000

Council File No. 21-0054, 21-0658

Council District: All

To: The Council

From: *for* Matthew W. Szabo, City Administrative Officer 

Reference: Planning and Land Use Management Committee Report dated August 16, 2022
Relative to a Strategic Plan to Streamline 100 Percent Deed-Restricted Affordable
Housing Projects in the City

Subject: **REPORT BACK ON THE FISCAL IMPACT OF 22 POSITION AUTHORITIES
RECOMMENDED IN THE DEPARTMENT OF CITY PLANNING AUGUST 11, 2022
REPORT TO IMPROVE AFFORDABLE HOUSING DEVELOPMENT PROCESSES
AND PROCEDURES**

RECOMMENDATION

That the City Council, subject to the approval of the Mayor:

1. AUTHORIZE by resolution the following three (3) positions in the Office of the City Administrative Officer (CAO) to act as liaison and project manager between City departments that provide development services for affordable housing development projects, subject to allocation by the Board of Civil Service Commissioners, for the period October 1, 2022 through June 30, 2023, and exemption in accordance with Charter Section 1001(d)(4) based on the positions being grant-funded for a term of no more than two years, which may be extended for one additional year, for a maximum exemption period of three years:

<u>Quantity</u>	<u>Class Code</u>	<u>Classification</u>
1	1538-0	Senior Project Coordinator
1	9134-0	Principal Project Coordinator
1	9171-2	Senior Management Analyst II

2. AUTHORIZE by resolution two (2) Management Analysts, Classification Code 9184-0, in the Los Angeles Housing Department (LAHD) to support the Land Use Unit and reduce processing times, subject to allocation by the Board of Civil Service Commissioners, for the period October 1, 2022 through June 30, 2023;
3. AUTHORIZE by resolution the following two (2) positions in the Los Angeles Fire Department (LAFD) to increase case management capacity and dedicated plan review of,

and assistance for, affordable housing projects, subject to allocation by the Board of Civil Service Commissioners, for the period October 1, 2022 through June 30, 2023:

<u>Quantity</u>	<u>Class Code</u>	<u>Classification</u>
1	7978-2	Fire Protection Engineering Associate II
1	9184-0	Management Analyst

4. APPROVE the appropriation of \$647,540 from State Homeless Housing, Assistance, and Prevention Program (HHAP) Grant Fund No. 62Y/10, Account No. 10S656, FC-7-Administrative Costs to the CAO, Fund No. 100/10, Account No. 001010, Salaries General for the three positions as recommended above; and
5. AUTHORIZE the CAO, LAHD General Manager, LAFD Fire Chief, or designee(s) to prepare Controller instructions or any necessary technical adjustments, subject to the approval of the City Administrative Officer, and instruct the Controller to implement the instructions.

SUMMARY

On August 16, 2022, the Planning and Land Use Management Committee (PLUM) considered the August 11, 2022 Department of City Planning (DCP) report (Supplemental Report) on resources needed relative to a strategic plan to streamline 100 percent deed-restricted affordable housing projects (C.F. 21-0658). Among other instructions, PLUM instructed the Office of the City Administrative Officer (CAO) to report on the fiscal impact and recommendations relative to the 22 position authorities recommended in the Supplemental Report. The Supplemental Report modified the position recommendations from the April 27, 2022 DCP report (Initial Report) in light of the resources provided in the Fiscal Year 2022-23 Adopted Budget (Budget).

As instructed, this Office reviewed the 22 positions, determined the fiscal impact, and recommends the approval of seven of the 22 positions included in the Supplemental Report: three in the CAO for the new Affordable Housing Liaison Unit, two in the Los Angeles Housing Department (LAHD) Land Use Unit, and two in the Los Angeles Fire Department (LAFD) Development Services Division.

BACKGROUND

On October 5, 2021, Council adopted the PLUM report, as initiated by Motion (Raman–Harris–Dawson) and amended by Motions (De Leon–Raman and Ridley-Thomas–Raman), that instructed the DCP, LAHD, Los Angeles Department of Building and Safety (LADBS), Bureau of Engineering (BOE), and LAFD to present a strategic plan that included staffing and resources necessary to improve review timelines and accelerate prioritization for 100 percent affordable housing projects (C.F. 21-0658).

The Budget authorized 40 position authorities, of the 71 positions recommended in the Initial Report, related to this program: 10 positions in the DCP, seven of which were allocated without funding; 20 positions in the LADBS; seven positions in the LAFD; and three positions in the BOE. An additional \$1 million was provided in the Unappropriated Balance for the DCP Development Services Affordable Housing Unit pending further policy development.

The Supplemental Report recommended 22 position authorities: three positions in the CAO, three positions in the DCP, 10 positions in the LAHD, two positions in the LAFD, and four positions in the BOE. The cost of these positions for nine months requires an estimated \$2.7 million, consisting of \$1.6 million in direct costs and \$1.1 million in indirect costs.

Overview of Positions

At this time, this Office recommends only seven of the 22 positions: three in the CAO to act as project liaisons, two in the LAHD for the managed pipeline, and two in the LAFD for inspections and safety check activities. The total estimated cost for the recommended positions with nine-months funding is \$1.1 million, consisting of \$597,069 in direct costs and \$510,099 in indirect costs. This Office does not recommend funding for the LAFD or LAHD at this time due to their high vacancy rates and advise that these departments utilize salary savings to the extent possible and address any identified shortfalls in a future Financial Status Report (FSR). Funding for the CAO will be provided by the Homeless Housing, Assistance, and Prevention (HHAP) grants. The Attachment - Position Summary, provides a detailed breakdown of the requested, authorized, and recommended positions and their respective costs.

Office of the City Administrative Officer

The Supplemental Report specified the classifications of the positions recommended in the Initial Report for the creation of the Affordable Housing Liaison Unit to consist of three positions: one Senior Project Coordinator, one Principal Project Coordinator, and one Senior Management Analyst II. These positions will be funded by HHAP grants and are recommended for exemption in accordance with Charter Section 1001(d)(4), which will enable the hiring of the most qualified individuals with existing affordable housing and development management experience.

These positions will provide project management services, as directed by Executive Directive 30, to streamline the development process for affordable housing projects and act as a liaison between City departments that provide related development services. The proposed unit will institutionalize this concierge service for 100 percent affordable housing projects to expedite and prevent delays in the development process, identify and remove barriers to development services process, and provide technical assistance to developers on the City's permitting process and building requirements. These positions were not requested by the CAO in the 2022-23 Proposed Budget. The nine-month cost for the three positions is \$647,540 (\$312,158 in direct costs and \$335,382 in indirect costs).

Department of City Planning

The Initial Report recommended 21 positions in the DCP that included the continuation of three positions for Priority Housing Project processing and the addition of 18 new positions to expedite processing of preliminary and entitlement applications. The Budget continued three City Planner positions to expedite Citywide affordable housing projects, added seven new positions without funding in the Housing Services Unit (one Senior City Planner, two City Planners, and four City Planning Associates), and included \$1 million in the Unappropriated Balance for the Development Services Affordable Housing Unit pending further policy development. Eleven positions from the Initial Report were not authorized in the Budget.

The Supplemental Report modified the DCP request to withdraw the 11 housing and priority services positions not approved in the Budget and instead requested three administrative positions (one Senior Management Analyst I, one Management Analyst, and one Senior Administrative Clerk) to address administrative and personnel challenges negatively affecting operations and reduce its 28 percent vacancy rate before expanding service levels. These positions will also aid in the preparation and maintenance of position descriptions, organizational charts, floor plans, and position control systems.

The additional support from the three administrative positions would allow the Personnel Department's Client Services and the DCP's Administrative Services groups to focus on their core responsibilities. The DCP indicates that the implementation of equity-focused employment practices, new position control procedures, recent mass promotions of 56 City Planners and Senior City Planners, and the current employment market are among the challenges impacting its high vacancy rate. The nine-month cost for the three positions is \$325,887 (\$210,037 in direct costs and \$115,850 in indirect costs).

The Department has 11 vacancies in the clerk and management series classifications that should be filled and reassigned to address the temporary workload identified. The ongoing need for additional resources should be reassessed once existing, vacant authorities are utilized and upon the transmittal of the DCP report on the challenges and recommendations relative to the high number of City Planner vacancies (C.F. 22-0600-S42). In addition, as instructed by the Council on August 16, 2022 (C.F. 21-0658), DCP should prioritize the pursuit of outside funding sources, such as Regional Early Action Program (REAP) 2.0, to securely fund positions related to accelerate housing production Citywide and reduce the General Fund impact of this program.

Department of Building and Safety

The Initial Report recommended 22 positions in the LADBS, consisting of four Structural Engineering Associate II, five Structural Engineering Associate III, one Office Engineering Technician I, one Architect, one Senior Architect, six Architectural Associate II, one Architectural Associate III, and three Senior Building Inspector positions. One Architectural Associate IV was inadvertently omitted in the Initial and Supplemental Reports and is corrected herein, bringing the total requested positions to 23. In the Budget, the Department received 20 of these 23 positions, which included the continuation of 10 existing positions and the addition of 10 new positions.

During the Budget and Finance Committee's consideration of the 2022-23 Proposed Budget, the LADBS reported that no additional staffing or funding resources would be required to achieve the goals outlined in Council Files 21-0054 and 21-0658. The Department intends to fill existing vacancies and re-evaluate additional resource needs in a future report.

Los Angeles Housing Department

The Initial and Supplemental Reports requested 10 positions in the LAHD, consisting of eight positions in the Land Use Unit to reduce the processing times of replacement unit determinations and affordable housing covenant recording and two positions in the Affordable Housing Managed Pipeline (AHMP) Unit to streamline the call for projects and underwriting process.

Land Use Unit

The eight positions requested for the Land Use Unit include one Senior Management Analyst I, five Management Analysts, and two Management Assistants. The total nine-month cost for all eight positions is \$835,727 (\$499,986 in direct costs and \$335,741 in indirect costs).

This Office recommends the approval of two of the five Management Analyst positions and the denial of the remaining six positions requested by the LAHD. The Department should prioritize filling the existing Senior Management Analyst I authority that has been vacant since August 2021. The nine-month cost of the two recommended positions is \$213,978 (\$128,015 in direct costs and \$85,963 in indirect costs) to be funded by the Municipal Housing Finance Fund No. 815 (MHFF). A transfer from the MHFF may be provided in a future FSR. The two recommended positions will help address the existing backlog and the review of new applications. The Land Use Unit is currently in the process of revising forms and procedures to streamline the review and replacement determination process, which may alleviate and prevent future backlogs. Therefore, no additional positions are recommended at this time, until the new processes are implemented and LAHD is able to reassess its workload.

Affordable Housing Managed Pipeline Unit

The two positions requested for the AHMP Unit, to be funded by the General Fund, include one Financial Development Officer I and one Management Analyst to streamline the call for projects and underwriting process. This unit is currently comprised of two Financial Development Officer II, four Financial Development Officer I, and two Management Assistant positions. The unit receives an average of 30 applications during each call for projects. During the 2021 call for projects, 17 projects were approved and distributed among the existing AHMP Unit staff to process and coordinate through the development process. This Office does not recommend approval of the requested two positions at this time due to the General Fund impact and a lack of comprehensive analysis of actual workload that demonstrate how the entitlement process would be streamlined. This Office recommends that the LAHD continue to utilize existing staff to support these efforts and request additional resources, if any, through the City's annual budget process. The total General Fund impact from the nine-month cost for the two positions is \$239,265 (\$156,350 in direct costs and \$82,915 in indirect costs).

Los Angeles Fire Department

The Initial Report recommended seven positions in the LAFD, consisting of three Fire Inspector II positions, one Fire Protection Engineering Associate (FPEA) IV, two FPEA II positions, and one Management Analyst. During its consideration of the 2022-23 Proposed Budget, the Budget and Finance Committee requested a report from the LAFD on its development services approval processes, recent changes, and the required resources to reduce its backlog. In response, the Department requested six vehicles and seven positions (two FPEA IV positions, one Fire Captain I, three Fire Inspector II positions, and one Senior Administrative Clerk). This request was fully approved in the Budget to reduce turnaround time and the backlog of approval processes. Three of these seven positions (one FPEA IV, one Fire Captain I, and one Senior Administrative Clerk) will partially share the workload specific to affordable housing but will not be fully dedicated to that work given the needs of other areas of the LAFD's Development Services Division.

The LAFD requested two positions in the Supplemental Report, which are being recommended, consisting of one FPEA II and one Management Analyst. The nine-month cost for the two positions is \$245,650 (\$156,896 in direct costs and \$88,754 in indirect costs), which would be fully reimbursed through plan check fees. The Department reports that there are no positions currently dedicated to the project review of affordable housing development projects and that these projects compete with other prioritized and expedited projects due to increasing demand and backlog. The requested positions would allow the LAFD to assign dedicated staff to review affordable housing projects and assist developers of those projects, increase case management capacity, and reduce the current backlog throughout the Development Services Division.

Bureau of Engineering

The Initial Report recommended the addition of seven positions in the BOE, consisting of one Administrative Clerk and four Civil Engineering Associate (CEA) II positions to reduce review times for housing development permit plan checking and two CEA II positions to support housing development case management services and coordination with stakeholders. Three CEA II positions (two for the acceleration of permit review and one for case management) were authorized in the Budget. In the Supplemental Report, the BOE requested the four remaining positions, consisting of three CEA II positions and one Administrative Clerk.

The Bureau reported that 75 affordable housing project applications are received on average each fiscal year and comprises an estimated 10 percent of requests received. The General Fund cost for the four positions for nine months is \$411,382 (\$262,890 in direct costs and \$148,492 in indirect costs). The BOE states that permit and process fees received from development projects would partially reimburse the General Fund. However, the positions related to case management would not generate permit-related revenues and would be a General Fund obligation. The Bureau should fill its existing, vacant CEA authorities to support the workload before reassessing and requesting additional resources. There are currently 22 CEA vacancies at various pay grade levels within the Bureau.

FISCAL IMPACT STATEMENT

There is no anticipated impact to the General Fund from the recommendations in this report. Funding for the CAO-recommended positions is to be provided through HHAP grants, the Municipal Housing Finance Fund No. 815, and fee-related reimbursement to the General Fund. The cost for the seven positions recommended in this report is \$1,107,168 for nine months and consists of \$597,069 in Direct Costs and \$510,099 in Indirect Costs. In addition to the HHAP grant funds, departments will absorb salary costs within existing budgeted funds. Any additional funding required may be requested and addressed in a future FSR.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.

MWS:YC:JVW:HK:15230015

Attachment: Position Summary (DCP 04/27/2022; DCP 08/11/2022; CAO 09/27/2022)

**ATTACHMENT
Position Summary**

Dept.	Unit / Purpose	Classification	Class Code	Request in the Initial Report (April 2022)	Authorized in the 22-23 Budget	Remaining from the Initial Report	Request in the Supplemental Report (August 2022)			Recommended in the CAO Report (September 2022)				
				Count	Count	Count	Count	Costs for 9 Months			Count	Costs for 9 Months		
								Direct	Related	Total		Direct	Related	Total
CAO	Affordable Housing Liaison	Liaison Project Manager	N/A	3	-	3	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Senior Project Coordinator	1538-0	-	-	-	1	\$ 95,752	\$ 102,875	\$ 198,627	1	\$ 95,752	\$ 102,875	\$ 198,627
		Principal Project Coordinator	9134-0	-	-	-	1	\$ 97,396	\$ 104,642	\$ 202,038	1	\$ 97,396	\$ 104,642	\$ 202,038
		Senior Management Analyst II	9171-2	-	-	-	1	\$ 119,010	\$ 127,865	\$ 246,875	1	\$ 119,010	\$ 127,865	\$ 246,875
	CAO Subtotal				3	0	3	3	\$ 312,158	\$ 335,382	\$ 647,540	3	\$ 312,158	\$ 335,382
DCP	Housing Services	Senior City Planner	7947-0	1	1 *	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		City Planner	7944-0	2	2 *	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		City Planning Associate	7941-0	8	4 *	4	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Senior Administrative Clerk	1368-0	1	-	1	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
	Priority Housing Processing	City Planner	7944-0	4	3	1	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		City Planning Associate	7941-0	4	-	4	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Senior Administrative Clerk	1368-0	1	-	1	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
	Administrative & Personnel Support	Senior Management Analyst I	9171-1	-	-	-	1	\$ 94,750	\$ 47,228	\$ 141,978	-	\$ -	\$ -	\$ -
		Management Analyst	9184-0	-	-	-	1	\$ 68,448	\$ 38,072	\$ 106,520	-	\$ -	\$ -	\$ -
		Senior Administrative Clerk	1368-0	-	-	-	1	\$ 46,839	\$ 30,550	\$ 77,389	-	\$ -	\$ -	\$ -
DCP Subtotal				21	10	11	3	\$ 210,037	\$ 115,850	\$ 325,887	0	\$ -	\$ -	\$ -
LADBS	Structural Plan Check	Structural Engineering Assoc. II	7957-2	4	4	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Structural Engineering Assoc. III	7957-3	5	5	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Office Engineering Technician II	7212-2	1	1	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
	Zoning Review	Architectural Associate II	7926-2	6	6	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Architectural Associate III	7926-3	1	2	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Architectural Associate IV ***	7926-4	1	0	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Architect	7925-0	1	1	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
	ICM	Senior Architect	7927-0	1	1	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
Senior Building Inspector		4213-0	3	-	3	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	
LADBS Subtotal				23	20	3	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -
LAHD	Land Use	Senior Management Analyst I	9171-1	1	-	1	1	\$ 92,302	\$ 61,981	\$ 154,283	-	\$ -	\$ -	\$ -
		Management Analyst	9184-0	5	-	5	5	\$ 320,038	\$ 214,906	\$ 534,944	2	\$ 128,015	\$ 85,963	\$ 213,978
		Management Assistant	1539-0	2	-	2	2	\$ 87,646	\$ 58,854	\$ 146,500	-	\$ -	\$ -	\$ -
	Affordable Housing Managed Pipeline	Finance Development Officer I	1571-1	1	-	1	1	\$ 92,342	\$ 46,389	\$ 138,731	-	\$ -	\$ -	\$ -
		Management Analyst	9184-0	1	-	1	1	\$ 64,008	\$ 36,526	\$ 100,534	-	\$ -	\$ -	\$ -
LAHD Subtotal				10	0	10	10	\$ 656,336	\$ 418,656	\$ 1,074,992	2	\$ 128,015	\$ 85,963	\$ 213,978
LAFD	Hydrants and Access	Fire Inspector II	2128-2	3	3 **	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
	Fire Life Safety (FLS) Plan Check	Fire Protection Eng. Assoc. IV	7978-4	1	2 **	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Fire Protection Eng. Assoc. II	7978-2	2	-	1	1	\$ 101,680	\$ 53,300	\$ 154,980	1	\$ 101,680	\$ 53,300	\$ 154,980
	FLS Inspection	Management Analyst	9184-0	1	-	1	1	\$ 55,216	\$ 35,454	\$ 90,670	1	\$ 55,216	\$ 35,454	\$ 90,670
	Development Services	Fire Captain I	2142-1	-	1	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
		Senior Administrative Clerk	1368-0	-	1	-	-	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
LAFD Subtotal				7	7	2	2	\$ 156,896	\$ 88,754	\$ 245,650	2	\$ 156,896	\$ 88,754	\$ 245,650
BOE	Certificate of Occupancy Clearances	Civil Engineering Associate II	7246-2	4	2	2	2	\$ 151,727	\$ 81,306	\$ 233,034	-	\$ -	\$ -	\$ -
		Administrative Clerk	1358-0	1	-	1	1	\$ 35,299	\$ 26,533	\$ 61,832	-	\$ -	\$ -	\$ -
	Case Management	Civil Engineering Associate II	7246-2	2	1	1	1	\$ 75,864	\$ 40,653	\$ 116,517	-	\$ -	\$ -	\$ -
	BOE Subtotal				7	3	4	4	\$ 262,890	\$ 148,492	\$ 411,382	0	\$ -	\$ -
Total				71	40	33	22	\$ 1,598,317	\$ 1,107,134	\$ 2,705,451	7	\$ 597,069	\$ 510,099	\$ 1,107,168

* Allocated without funding

** Subject to pay grade determination

*** Inadvertently omitted from the Initial and Supplement Reports. Subsequent to the adoption of the 2022-23 Budget, the Office of the CAO, Employee Relations Division modified the department's request to an Architectural Associate III.