REGULAR MEETING OF THE
WESTSIDE CITIES COUNCIL
OF GOVERNMENTS

Date: January 18, 2018
11:45 AM Board Luncheon
12:00 PM Meeting
1:15 PM Adjourn

Location: City of West Hollywood
West Hollywood Library
Community Room
625 N San Vicente Blvd
West Hollywood, CA 90069
Parking: West Hollywood Library – Municipal Parking
Structure 3

AGENDA

Public comment on any agenda item may be made during the consideration of that item. All comments on items not listed on the agenda may be made during the time allotted on the agenda to the public. Members of the public may comment by raising a hand and being recognized by the Chair. Speakers shall confine their comments to three minutes per speaker. Unless otherwise noted in the Agenda, the public may only comment on matters that are within the subject matter jurisdiction of the Westside Cities Council of Governments or items listed on the agenda.

1. CALL TO ORDER

2. WELCOME, INTRODUCTIONS, AND IDENTIFICATION OF VOTING MEMBERS

3. ACTION ITEMS

   A. Approval of November 16, 2017 Draft Meeting Notes
      Action: Approve the November 16, 2017 draft meeting notes

   B. Revised Statement of Work for the Contract with the County of Los Angeles for Homelessness Subregional Coordination
      Action: Approve the revised statement of work

4. EXECUTIVE DIRECTOR’S REPORT

   - Los Angeles Community Choice Energy (LACCE) Update
   - Measure M Multi-Year Subregional Program Update
   - Westside Mobility Study Update
   - WSCCOG Upcoming Appointments

5. INFORMATION AND DISCUSSION

   A. Regional Approach to Affordable Housing
      i. Linkage Fee Presentation (City of Los Angeles)

6. LEGISLATION

7. RECEIVE AND FILE

   A. WSCCOG Homeless Working Group Meeting Notes
8. ANNOUNCEMENTS

9. FUTURE MEETING LOCATIONS AND AGENDA ITEMS

A. Next Meeting
   i. Thursday, March 8, 2018 (Santa Monica)
      - Approve WSCCOG Appointments for Metro Westside/Central Service Council, SCAG Policy Committees, and Santa Monica Bay Area Restoration Commission
      - Approve and Execute Contract for the County of Los Angeles for Homelessness Subregional Coordination
      - Presentation on the County’s Stormwater Expenditure Plan (TreePeople/OurWaterLA Coalition)
   ii. Thursday, May 17, 2018 (Beverly Hills)
   iii. Thursday, July 19, 2018 (City of Los Angeles)
   iv. Thursday, September 20, 2018 (County of Los Angeles)
   v. Thursday, November 15, 2018 (City of Culver City)

10. PUBLIC PARTICIPATION

Members of the public may address the Westside Cities Council of Governments (WSCCOG) on any subject on or off the agenda by raising a hand and being recognized by the WSCCOG Chair. Speakers shall confine their comments to three minutes per speaker.

11. ADJOURN

Written materials distributed to the Board within 72 hours of the Board meeting are available for public inspection immediately upon distribution in the City Clerk’s office at West Hollywood City Hall located at 8300 Santa Monica Boulevard, West Hollywood, CA 90069, during normal business hours. Such documents will also be posted on the WSCCOG website at www.westsidecities.org and will be made available at the meeting.

In accordance with the Americans with Disabilities Act, if you require a disability related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please contact WSCCOG Project Director Winnie Fong at 213-612-4545 or winnie@elpadvisors.com at least three days prior to the meeting.
THURSDAY, NOVEMBER 16, 2017
12:00 NOON
CITY OF CULVER CITY
MIKE BALKMAN COUNCIL CHAMBERS
9770 CULVER BLVD.
CULVER CITY, CA 90232

IN ATTENDENCE:

**Beverly Hills:** Councilmember John Mirisch (Vice Chair). Staff: Cindy Owens, Aaron Kunz, Kevin Riley

**Culver City:** Councilmember Meghan Sahli-Wells (Secretary), Vice Mayor Thomas Small, Mayor Jeffrey Cooper. Staff: Shelly Wolfberg, Jesse Mays, Tevis Barnes, Jose Mendivil

**Santa Monica:** Mayor Pro Tempore Gleam Davis. Staff: Stephanie Venegas

**West Hollywood:** Councilmember Lauren Meister (Chair). Staff: Hernan Molina, Corri Planck

**City of LA:** Staff: Debbie Dyner-Harris, Steve Luu

**WSCCOG:** Executive Director: Cecilia V. Estolano. Staff: Winnie Fong; Counsel: Lauren Langer

**Other:** Eric Geier (Metro)

1. **CALL TO ORDER**
   Councilmember Lauren Meister (Chair) called the meeting to order at 12:13 p.m.

2. **WELCOME, INTRODUCTIONS, AND IDENTIFICATION OF VOTING MEMBERS**

3. **ACTION ITEMS**

   **(A) APPROVAL OF THE OCTOBER 5, 2017 DRAFT MEETING NOTES**
   The motion was made by Councilmember John Mirisch (Vice Chair) and seconded by Mayor Pro Tempore Gleam Davis to approve the October 5, 2017 draft meeting notes. Chair Meister conducted a roll call vote. Ayes: Councilmember Meister, Mayor Pro Tempore Davis, Councilmember Mirisch, Councilmember Meghan Sahli-Wells. Abstain: Stephanie Cohen

   **(B) APPROVE A SCHEDULE TO REVISIT APPOINTMENTS OF WSCCOG APPOINTED REPRESENTATIVES THAT DO NOT HAVE SET TERMS**
   The motion was made by Vice Chair Mirisch and seconded by Secretary Sahli-Wells to approve the schedule to revisit the appointments of representatives without set terms in every two years. Current representatives will have the opportunity to apply for reappointment. The motion passed unanimously.

   **(C) APPOINTMENT OF AN ALTERNATE REPRESENTATIVE TO THE METRO TECHNICAL ADVISORY COMMITTEE STREETS AND FREEWAY SUBCOMMITTEE**
   Chair Meister called for the nominations. Secretary nominated Kevin Riley (City of Beverly Hills) to serve as the TAC Streets and Freeway Subcommittee Alternate Representative. Vice Chair Mirisch seconded the motion. Chair Meister called for the vote and declared the election of the TAC Streets and Freeway Subcommittee Alternate Representative by acclamation.
Chair Meister recommended the WSCCOG Board to consider amending the contract’s statement of work to include suggestions proposed by the cities of Santa Monica and West Hollywood on how the WSCCOG should use the grant funding. The motion was made by Mayor Pro Tempore Davis and seconded by Vice Chair Mirisch to table the discussion until the next Board meeting when the Board will reconsider the contract with the proposed recommendations. Councilmember Sahli-Wells requested that the WSCCOG explore partnering with school districts on hidden homelessness, as well as develop a communication and engagement strategy.

The Board engaged a discussion about starting the meetings earlier with the luncheon beginning at 11:45 am and the meeting starting at 12:00 pm. The motion was made by Mayor Pro Tempore Davis and seconded by Chair Meister to approve the 2018 WSCCOG Board Regular Meeting schedule with the luncheon starting at 11:45 am and the meeting starting at 12:00 pm. The motion passed unanimously.

Executive Director Cecilia V. Estolano provided a brief update on the Los Angeles Community Choice Energy (LACCE) Joint Powers Authority (JPA), as well as announced a public workshop on the LACCE’s Stakeholder Advisory Committee. Ms. Estolano also provided a brief update on the status of the Westside Mobility Plan project. Secretary Sahli-Wells suggested that the work is heavily focused on active transportation and first/last mile, and that the COG should also consider transit and bus service as an important component of mobility in the Westside. Ms. Estolano provided a brief update on Metro’s efforts in finalizing the administrative guidelines for the Multi-Year Subregional Program under Measure M.

Jesus Hernandez (Community Corporation of Santa Monica) and Robin Conerly with Jesse Slansky (West Hollywood Community Housing Corporation) provided presentations on non-profit affordable housing development. The Board held a discussion about prevailing wages and community engagement, and requested an update on the linkage fee proposal in the City of Los Angeles.

Jeff Kiernan provided an update on SB 1, CalPERS Pension, and the GOP Tax Plan.

The Board engaged in a discussion on how to get more participation in the City Selection Committee meetings in order to meet quorum.

The WSCCOG Board adjourned at 1:31 p.m.
DATE: January 18, 2018
TO: Westside Cities Council of Governments Board
FROM: Westside Cities Council of Governments Staff
SUBJECT: Revised Statement of Work with the County of Los Angeles for Regional Homelessness Coordination

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**Recommended Action**

That the WSCCOG Board approve the revised scope of work with the County of Los Angeles for Homelessness Subregional Coordination.

**Background**

The County Homeless Initiative team is providing grant funding for COGs to provide regional coordination to combat homelessness. The funding amount per COG is based on the number of cities within each subregion. The WSCCOG can apply up to $30,000 for FY 2017-18 for regional coordination.

**Revised Statement of Work**

In November 2017, the WSCCOG presented the contract and statement of work for the WSCCOG Board’s approval. Chair Lauren Meister requested the Board to reconsider the contract at the next Board meeting with amendments to the statement of work, which include proposed recommendations from staff from the cities of Santa Monica and West Hollywood.

On January 2, 2018, WSCCOG staff convened a conference call with the WSCCOG Homeless Working Group to discussed potential options that would benefit and support the member cities in their homelessness efforts. The members suggested that the cities could benefit from the development of a **unified public education and training strategy** to help the City staff and community members to broaden the base of outreach opportunities.

The goal is to educate and empower the City staff (*e.g.*, library workers or public works staff who encounter homeless during their regular duties) and community members (*e.g.*, local businesses, faith-based organizations, residents, landlords, etc.) in engaging with homeless individuals and be a part of the homeless solution that supports the work of local non-profits, the coordinated entry system, and regional partners. See [Attachment A](#) revised proposed statement of work.

**Proposed Budget**

The proposed budget of $30,000 will be used for the WSCCOG staff to coordinate with the member cities, conduct research in support of the curriculum development, and develop a strategy for a regional implementation strategy.
**Proposed Deliverables**
The WSCCOG staff will produce quarterly reports to the County on describing the progress made in the curriculum development and the regional implementation strategy.

**Proposed Timeline**
WSCCOG aims to execute the contract and begin work on April 1, 2018. Work will be completed within one year of the contract start date. The proposed timeline for this work is listed below:

- January 18, 2018: Present revised SOW to WSCCOG for approval
- January 19, 2018: Submit to County for review and approve for the contract
- March 8, 2018: Present finalize contract to WSCCOG for approval
- April 1, 2018: Begin work per contract
- March 30, 2019: Complete project per contract

**Attachment**

A. Revised Statement of Work for the Contract with the County of Los Angeles for Regional Homelessness Coordination Services

____________________________________________________________________________
STATEMENT OF WORK
Westside Cities Council of Governments
Regional Homelessness Coordination Services

Section I. Overview

On June 13, 2017, the County of Los Angeles Board of Supervisors (Board) approved Measure H funding allocations in support of the County’s Homeless Initiative (HI) strategies to combat homelessness in the County. Along with approving the funding allocations, the Board also allocated funding for regional homelessness coordination services at the Council of Government (COG) level for coordination between cities in each COG.

The Westside Cities Council of Governments (WSCCOG) is a joint powers authority created by the cities of Beverly Hills, Culver City, Santa Monica, West Hollywood, the City of Los Angeles (Districts 5 and 11) and the County of Los Angeles (Districts 2, 3, and 4).

The Los Angeles Housing Service Authority (LAHSA) estimated 5,511 homeless individuals in the West Los Angeles Service Planning Area (SPA 5) region in 2017, an increase of 18 percent from the previous year. WSCCOG provides a forum for discussion and communication on homelessness in the region as well as formalized representation and advocacy with governmental agencies at all levels.

Section II: Objective

The objective of the regional coordination of homeless-related services is to support the County’s HI strategies and programs to combat homelessness through a unified public education and training strategy developed in collaboration with and implemented through the WSCCOG member cities. The goal is to educate and empower the City staff and community members to participate in homelessness solutions and engage with homeless individuals that supports the work of local non-profits, the coordinated entry system (CES), and regional partners.

The first part curriculum will be designed to train City staff and community members on how to respond to homelessness individuals in need. Currently, the City of Santa Monica is developing a local strategic training plan that would broaden the base of outreach opportunities by equipping community members and City staff with basic competencies in addressing homelessness, such as 1) how to respond skillfully to behavioral issues when interacting with homelessness individuals, and 2) make appropriate referrals. In this planning effort, the City of Santa Monica will establish learning objectives based on a needs assessment and skills acquisition goals, identify best practice training modules, and develop a core curriculum and implementation plan. WSCCOG will use the City of Santa Monica’s framework and curriculum to serve as the foundation for a regional strategy in the Westside.

The second part of the curriculum is to provide public education by providing information to City staff and community members on homelessness and homeless solutions, such as who is homeless, why people become homeless, how housing affordability and health are interrelated, what is CES, what is the County’s Homeless Initiative, the impacts of the Housing First model, etc.
Section III. Tasks/Deliverables

Task 1: Coordinate with Member Cities

A.WSCCOG staff will conduct monthly conference call meetings, on the first Tuesday of every month, with members of the WSCCOG Homeless Working Group to coordinate the planning efforts of developing and implementing a regional public education and training strategy on homelessness.

WSCCOG Homeless Working Group

<table>
<thead>
<tr>
<th>City</th>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>WSCCOG</td>
<td>Winnie Fong</td>
<td>Project Director</td>
</tr>
<tr>
<td>WSCCOG</td>
<td>Kris Kuntz</td>
<td>Staff</td>
</tr>
<tr>
<td>WSCCOG</td>
<td>Leah Hubbard</td>
<td>Staff</td>
</tr>
<tr>
<td>City of Beverly Hills</td>
<td>Jim Latta</td>
<td>Human Services Administrator</td>
</tr>
<tr>
<td>City of Culver City</td>
<td>Tevis Barnes</td>
<td>Housing Programs Administrator</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>Tricia Keane</td>
<td>Deputy Chief of Staff (CD 11)</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>Jim Bickhart</td>
<td>Consultant to Councilmember Paul Koretz (CD 5)</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>Steve Luu</td>
<td>Office of the Chief Legislative Analyst</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>Jack Reef</td>
<td>Office of the Chief Legislative Analyst</td>
</tr>
<tr>
<td>City of West Hollywood</td>
<td>Corri Planck</td>
<td>Project Manager, West Hollywood Homeless Initiative</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>Stephanie Cohen</td>
<td>District Director, County District 3</td>
</tr>
</tbody>
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Task 2: Support the Development of a Public Education and Training Curriculum

A. WSCCOG staff will coordinate with the member cities on the development of Santa Monica’s training curriculum for City staff and community members, which will include the following:

i. Develop and maintain a list of key stakeholder and contact information from each member city to participate in relevant curriculum development meetings hosted by the City of Santa Monica.

ii. Coordinate with the member cities to obtain comments and feedback to the City of Santa Monica on the draft training curriculum.

iii. Facilitate discussions with member cities to identify measurable outcomes of the training curriculum.

iv. Work with the member cities to develop a system for tracking the distribution and utilization of the training materials to target audience, such as member cities staff, community groups, and the public.

B. Work with member cities staff to identify other homeless-related issues affecting the region, local and regional best practices, and communication with regional partner agencies (LAHSA, LA County CEO, United Way, etc.) to include as part of the curriculum.
Task 3: Develop Regional Implementation Strategy

A. WSCCOG staff will facilitate discussions with the member cities to formulate a unified regional strategy for introducing the training curriculum and public education materials within each jurisdiction including:

i. Working with member cities to identify stakeholder groups and timeline for rolling out the training and public education materials.

ii. Identify areas for customization of training content to be created locally by participating member cities and ensure coordination and consistency of messaging.

iii. Support the replication of training materials for member cities.

Deliverable 1: Quarterly and Final Reports on Coordination with Member Cities

WSCCOG shall provide quarterly reports describing progress made on items (A) in Task 1, Coordination with Member Cities. A final report will be due to the County upon contract completion describing how each item of Task 1 (Items A), was completed. If the item was not completed, then an explanation of why should be provided in the final report.

Deliverable 2: Final Report on the Curriculum Development

WSCCOG shall provide a report of the curriculum as described in items (A-B) in Task 2, Coordination to Support Curriculum Development. A final report will be due to the County upon contract completion describing how each item of Task 1 (Items A), was completed. If the item was not completed, then an explanation of why should be provided in the final report.

Deliverable 3: Final Report on the Regional Implementation Strategy

WSCCOG shall provide a report of the curriculum as described in items (A) in Task 3, for the Regional Implementation Strategy. A final report will be due to the County upon contract completion describing how each item of Task 3 (Items A), was completed. If the item was not completed, then an explanation of why should be provided in the final report.

<table>
<thead>
<tr>
<th>Deliverable Report Schedule</th>
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<tbody>
<tr>
<td>Deliverable</td>
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<tr>
<td>Quarterly Reports for Task 1</td>
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<tr>
<td>Draft Report on the Curriculum Development for Task 2</td>
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<tr>
<td>Final Report on the Curriculum Development for Task 2</td>
</tr>
<tr>
<td>Draft Report on the Regional Implementation Strategy for Task 3</td>
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</table>
Pricing Schedule

The total budget for the project is $30,000. The WSCCOG will submit an invoice the County of Los Angeles on a quarterly basis with the quarterly progress reports as outlined in Task 1.

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Task 1: Coordinate with Member Cities</td>
<td>$7,320</td>
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<tr>
<td>Task 2: Support the Development of a Public Education and Training Curriculum</td>
<td>$11,600</td>
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<tr>
<td>Task 3: Develop Implementation Strategy</td>
<td>$11,080</td>
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<tr>
<td>Total</td>
<td>$30,000</td>
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</table>
DATE: January 18, 2018
TO: Westside Cities Council of Governments Board
FROM: Westside Cities Council of Governments Staff
SUBJECT: Executive Director’s Report

The purpose of this memorandum is to update the governing board on the status of WSCCOG activities, projects, and other items of interest:

Los Angeles Community Choice Energy (LACCE) Update

Below is an update on the Westside Cities’ next steps for considering joining the LACCE Joint Powers Authority (JPA):

1. Beverly Hills
   a. On November 21, 2017, the City Council conducted a first reading of the ordinance, which authorizes the City’s implementation of a Community Choice Aggregation Program and approve the LACCE JPA. On December 5, 2017, the City Council unanimously voted to join the LACCE. The City Council elected Vice Mayor Julian Gold as the Board Member and Councilmember Robert Wunderlich as the alternate to serve on the LACCE Authority Board.

2. Culver City
   a. On November 13, 2017, the City Council voted to join LACCE. The City signed the LACCE JPA agreement in December 2017. The City elected representatives Councilmember Meghan Sahli-Wells to serve as the Board member and Councilmember Goran Eriksson as the alternate, and Public Works Senior Management Analyst Joe Susca as the second alternate to the LACCE Authority Board.

3. Santa Monica
   a. On December 5, 2017, the City Council held the first reading of the first ordinance to join LACCE, followed by a second reading on December 12th. The City Council elected Councilmember Kevin McKeown as the Board Director, Councilmember Pam O’Connor as first alternate and David Pettit (NRDC) Task Force on the Environment member as the second alternate to the LACCE Authority Board. The UCLA study was completed and released in December 2017.

4. West Hollywood
   a. On September 18, 2017, the City Council approved an ordinance to join the LACCE Joint Powers Authority (JPA). The City appointed Councilmember Lindsey Horvath as the Director, Councilmember Lauren Meister as the Alternate Director and Sustainability Planner Robyn Eason as the City staff representative to the LACCE Authority Board.

The California Public Utilities Commission (CPUC) was scheduled to decide on a proposed draft resolution (E-4907) on January 11th, which would change the rules for new and expanding community choice aggregation. The County of Los Angeles urged action from the cities to submit a comment letter on the proposed resolution that changing the rules midway through the County’s LACCE process in a short timeframe would result in serious implications to LACCE.
and our member cities. WSCCOG Executive Director submitted a comment letter to CPUC in early January (see Attachment A)

**Measure M Multi-Year Subregional Program Update**

In December 2017, Metro provided the Policy Advisory Committee (PAC) members with draft administrative guidelines for the Multi-year Subregional Program (MSP) for review. PAC members requested additional time to review the guidelines in a timely manner before consideration for adoption.

**Westside Mobility Study Update**

WSCCOG staff will be finalizing the scope of work and schedule this month to submit to SCAG and Caltrans for approval. The next step in the process will be working with the SCAG project manager on the Request for Proposal (RFP).

**Upcoming WSCCOG Appointments**

The WSCCOG is anticipating the following upcoming reappointments. WSCCOG staff will release the call for nominations for these appointments for the WSCCOG board to consider in the next board meeting on March 8th.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Representative</th>
<th>Jurisdiction</th>
<th>Term Period</th>
<th>Election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Monica Bay Restoration Commission (SMBRC)</td>
<td>Councilmember Kevin McKeown (Primary)</td>
<td>Santa Monica</td>
<td>4/2016 – 4/2018</td>
<td>March 8</td>
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<tr>
<td>SCAG Regional Council District #41</td>
<td>Councilmember Pam O’Connor</td>
<td>Santa Monica</td>
<td>5/2017 – 5/2018</td>
<td>March 8</td>
</tr>
<tr>
<td>SCAG Community, Economic &amp; Human Development Committee</td>
<td>Mayor Jeffrey Cooper*</td>
<td>Culver City</td>
<td>7/2017 – 7/2018</td>
<td>March 8</td>
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<tr>
<td>SCAG Energy &amp; Environment Committee</td>
<td>Councilmember Meghan Sahli-Wells</td>
<td>Culver City</td>
<td>5/2016 – 5/2018</td>
<td>March 8</td>
</tr>
<tr>
<td>SCAG Transportation Committee</td>
<td>Councilmember Jim B. Clarke*</td>
<td>Culver City</td>
<td>9/2016 – 4/2018</td>
<td>March 8</td>
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*Mayor Jeffrey Cooper and Councilmember Jim B. Clarke are expected to end their term with the Culver City’s City Council on April 23, 2018.

**Attachment**

A. Comment Letter on Draft Resolution E-4097 (WSCCOG)
January 5, 2018

Commissioner President Michael Picker  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Submitted via email to public.advisor@cpuc.ca.gov

RE: Comment Letter on Draft Resolution E-4097

Dear Commissioner Picker,

The Westside Cities Council of Governments (WSCCOG) has been actively researching and evaluating options to implement a community choice energy program to benefit the residents and businesses in our member cities. After much consideration, some of our member cities, including Beverly Hills, Culver City, Santa Monica, and West Hollywood recently joined the Los Angeles Community Choice Energy (LACCE) program with the understanding that LACCE would be filing an addendum to its certified implementation plan to include us and many other Southern California cities in its Phase 2 launch in June 2018. This plan was included in their Implementation Plan and well known to and acceptable to both the CPUC and Southern California Edison.

Inexplicably and without due process, Draft Resolution E-4907 proposes new rules for how and when community choice power providers could launch and make changes to procurement rules outside the normal rulemaking process. Such changes could have serious financial implications to LAACE and our member cities by delaying our entry into service and appears to have been deliberately proposed to harm our interests. The CPUC did not seek information from nor did it consult with LACCE staff or with our member cities in preparing this draft resolution. Instead, it appears that the draft resolution solely relies on evidence from investor-owned utilities, which has not been subject to review or examination. Not only is this draft resolution an act of bad faith, it is unwarranted.

Indeed, resource adequacy issues are already part of an existing CPUC proceeding and should be addressed in that venue so that all information on which a decision is made is vetted in a public and transparent manner rather than having the CPUC rely on the private, undisclosed, and unexamined information that led to a deeply flawed and unnecessarily rushed draft resolution.
We stand ready and willing to work with Southern California Edison and the CPUC to identify potential solutions to the resource adequacy issue that are reasonable and fair for all parties involved.

The WSCCOCG respectfully asks that this resolution be dismissed on the grounds that procurement of resource adequacy rules be addressed in the existing proceeding dedicated to that purpose and in recognition of the furtive manner in which it was placed on your agenda.

Sincerely,

[Signature]

Cecilia V. Estolano
Executive Director

cc:
The Honorable Board of the Westside Cities Council of Governments
Commissioner Carla J. Peterman
Commissioner Liane M. Randolph
Commissioner Martha Guzman Aceves
Commissioner Clifford Rechtschaffen
Ed Randolph, Director, CPUC Energy Division
Governor Edmund G. Brown, Jr.
Assembleymember Richard Bloom
Senator Ben Allen
DATE: January 18, 2018

TO: Westside Cities Council of Governments Board

FROM: Westside Cities Council of Governments Staff

SUBJECT: Regional Approach to Affordable Housing

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**Background**

In October 2017, the WSCCOG Board engaged in a discussion to collaborate on a regional approach to affordable housing. In November 2017, the WSCCOG received presentations from the Community Corporation of Santa Monica and the West Hollywood Community Housing Corporations. The remaining actions recommended by the Board and WSCCOG staff include the following:

1. Ask representatives from the City and the County of Los Angeles to provide a presentation on Measure H, Measure HHH, Measure JJJ, and linkage fee;
2. Provide analysis on the statewide housing legislation package and develop a summary table of member cities’ housing policies (e.g. linkage fee, inclusionary, etc.); and
3. Invite Joan Ling to assist the WSCCOG Board in framing and discussing the issues regarding a potential subregional affordable housing non-profit

**Westside Cities Affordable Housing Policy Overview**

WSCCOG staff drafted a brief overview of affordable housing policies of all Westside member cities in **Attachment A**. The attachment covers the following existing programs and policies:

- **Affordable Housing Production Programs and Policies**
  - Inclusionary Housing Program
  - Developer Fee Reduction Incentives
- **Affordable Housing Preservation Programs**
  - Rent Stabilization Program
  - Condominium Conversion Protection
  - Mobile Home Park Rent Control
  - Motel Conversion Ordinance
- **Affordable Housing Funding Mechanisms**
  - Linkage Fee
  - In-lieu Fee and Other Developer Fees
  - Housing Trust Funds
  - Short-Term Rental Tax
- **Ballot Measures**

**State Legislation**

**2017 Legislative Housing Package**

The state legislature passed a legislative housing package in September 2017, which included 15 bills that provides funding for new affordable housing, accelerates development to increase
housing supply, and hold cities and counties accountable for addressing housing needs in their communities. For a summary fact sheet on the legislative housing package, refer to Attachment B.

2018 Housing-Related Legislation
The state legislature continues to introduce bills to further its efforts to addressing the housing crisis. Earlier this month, Senator Scott Wiener introduced three new proposals as part of a “housing-first” approach. These bills include:

- **SB 827 (Wiener)**
  - This bill aims to mandate denser and taller zoning near transit. The bill would create density and height zoning minimums near transit.

- **SB 828 (Wiener)**
  - This bill aims to create a data-driven and a more equitable process for how the state and regional bodies assign Regional Housing Needs Assessment (RHNA) numbers to local communities.

- **SB 629 (Wiener)**
  - This bill aims to expand farmworking housing while maintaining stronger protections. The bill would create a by-right process where farm owners and operators can dedicate agricultural land for employee training.

Additionally, Senator Bob Wieckowski introduced **SB 831**, which addresses allowable floor-to-area lot ratios for accessory dwelling units (ADUs). In 2016, Governor Brown signed AB 2299 (Bloom) and SB 1069 (Wieckowski), which amended the State Second Unit Law to ease restrictions on ADU construction. Since the beginning of 2017, the local jurisdictions statewide have experienced an uptick in ADU construction permits.

WSCCOG staff will continue to monitor legislation related to affordable housing.

City of Los Angeles Linkage Fee
In December 2017, the Los Angeles City Council approved a developer fee, or so-called linkage fee, on both new residential and commercial development. The fee will take into effect beginning 2019. The City estimates that the fees will raise roughly $100 million annually.

Matthew Glesne, City Planner from the Los Angeles Department of City Planning, will be providing a brief presentation on the City’s linkage fee. Refer to Attachment C for the powerpoint presentation.

Attachments

A. Overview of Westside Cities Affordable Housing Policies (WSCCOG)
B. California’s 2017 Legislative Housing Package (California Housing and Community Development)
C. City of Los Angeles Linkage Fee Presentation (Matthew Glesne, City Planner)
Overview of Westside Cities Affordable Housing Policies

Affordable Housing Production Programs and Policies

1. Inclusionary Housing Program
   In 2017, the State Legislature approved an affordable housing package, which included AB 1505 (Bloom). The bill authorizes cities and counties to adopt inclusionary housing requirements for rental units.

   a. City of Culver City
      The City began a series entitled the Community Conversation on Affordable Housing in January of 2017. Inclusionary Housing was highlighted as a primary method to create affordable housing in the City. Housing staff will present a report to the Culver City Council in early 2018 seeking direction on exploring the feasibility of an Inclusionary Housing Ordinance throughout the City.

   b. City of Santa Monica
      The City administers the Affordable Housing Production Program (AHPP), as a result of Proposition R (1990), which requires that not less than 30 percent of all newly constructed multi-family residential housing in the City each year be permanently affordable to, and occupied by, low- and moderate-income households. The AHPP, adopted by the City Council in 1998, requires developers of new market-rate, multi-family housing to contribute to affordable housing goals by designating a portion of a development’s total residences as affordable housing, constructing affordable housing off-site, designating land for affordable housing development, or paying an affordable housing fee.1

   c. City of West Hollywood
      The City’s Inclusionary Housing Program requires 20 percent of new residential development to be deed-restricted for lower and moderate households, or in certain instances, the developer may pay a fee. Fees are collected in the City’s Affordable Housing Trust Fund and used to partner with non-profit housing providers to construct new 100 percent affordable apartment buildings.2

   d. County of Los Angeles
      The County is currently exploring the feasibility of an inclusionary housing program for the unincorporated areas, as part of the its Affordable Housing Action Plan.

2. Developer Incentives

   a. City of Beverly Hills
      The City currently exempts projects containing very low, low and moderate-income units from certain development impact fees, specifically the Dwelling Unit Tax, and the Parks and Recreation Construction Tax. The City will be undertaking a fee

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2 http://www.weho.org/residents/rent-stabilization-housing/housing/housing-programs/inclusionary-housing-program
study to evaluate additional fee waivers or reductions for projects containing affordable units.  

b. City of Culver City
As part of the Housing Authority's financial assistance to Habitat for Humanity of Los Angeles for the creation of the Globe Project, all City permit fees up to $200,000 were waived. The Globe Project will provide 10 unit of workforce and affordable homeownership housing. This is the City's first new construction affordable ownership housing project. The City will also explore waiving permit fees for other 100% affordable housing projects.

The City is also exploring a program that combines the Community Benefit of the City Mixed-Use Ordinance with State Density Bonus Law (SB1818) to allow developers to increase density and be granted more concessions with the inclusion of affordable housing units. If a developer utilizes this program, financial assistance will be considered for the affordable units.

c. City of Santa Monica
The City currently exempts affordable housing developments, and affordable housing residences within market-rate developments, from various development impact fees, such as the City's Commercial Linkage Fee, Childcare Impact Fee, Parks and Recreation Impact Fee, Transportation Impact Fee, and School Tax Fee.

The City's zoning code facilitates increasing the supply of affordable housing by providing for priority processing of affordable housing development applications and non-discretionary (i.e., administrative) review and approval of affordable housing developments.

Affordable Housing Preservation Policies

1. Rent Stabilization Program
Rent stabilization, or rent control, is used to preserve communities by limiting the annual rent increases, and to maintain housing affordability for low-and middle-income families.

a. City of Beverly Hills
The City administers a rent stabilization program, which was first adopted in 1978. The program applies to all multiple residential dwellings consisting of two units or more with some exceptions. In January 2017, the City adopted an ordinance (17-0-272) to: 1) establish the requirement to pay for relocation fees to tenants who are evicted from certain apartment units; 2) decrease the 10% amount by which certain rents can be increased; 3) establish a rent increase application process, 4) increase relocation fees that must be paid to tenants; and 5) require owners of multifamily rental buildings to register all rental units with the City.

b. City of Culver City
To assist household with rental increases, the City offers the Landlord Tenant Mediation Board (LTMB). Through a City ordinance, if a household is experiencing a rent increase they may request a mediation with the property owner. The City Council will explore an amendment to the ordinance requiring all rental leases in

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3http://www.beverlyhills.org/citygovernment/departments/communitydevelopment/planning/housing/affordablehousingincentives/print.jsp
4http://www.beverlyhills.org/citygovernment/departments/communitydevelopment/codecompliance/bhrent/?NF R=1
the City to include an addendum that informs the tenant of the LTMB and their right to request a mediation of a rent increase.

c. **City of Santa Monica**
   The Santa Monica Rent Control was adopted by the voters in April 1979 in response to a shortage of housing units, low vacancy rates and rapidly rising rents. The law was intended to alleviate the hardship of the housing shortage and to ensure that owners received no more than a fair return.\(^5\)

d. **City of Los Angeles**
   The City enacted the Rent Stabilization Ordinance (RSO) in 1979.

e. **City of West Hollywood**
   The City enacted the Rent Stabilization Ordinance in 1985, which protects tenants from unlawful eviction and sets a limit on annual rent increases. The City continues to administer the ordinance and to help tenants know and exercise their rights.\(^6\)

2. **Conversion of Rental Units**
   Converting rental units to market-rate condominiums or other uses decreases the overall rental housing stock and causes potential displacement of current tenants. Some jurisdictions implement condominium conversion ordinances to set limits on the number of conversions as an anti-displacement strategy, or to collect fees to mitigate displacement.

   a. **City of Beverly Hills**
      The City places an annual limitation on the conversion of existing residential rental units to common interest developments. The City restricts limitations for character contributing building and all other multi-family residential buildings. The actual physical number limit for each category is determined annually by the director of community development.\(^7\)

   b. **City of Los Angeles**
      The City enacts a condominium conversion fee payment for each unit in a residential or residential to commercial/industrial conversion project, which is deposited into the City’s Housing Rental Production Account of the City’s Housing and Community Investment Department (HCID). Money in this account is used exclusively for the development of low and moderate-income housing in the City.\(^8\)

   c. **City of Santa Monica**
      The City does not allow conversion of apartments to condominiums unless, among other conditions, the City’s rental housing vacancy factor exceeds 5% and all of the rental housing demolished or converted in 1978 and 1979 is replaced.

3. **Mobile Home Parks Rent Control**
   Mobile home parks provide naturally occurring affordable housing for extremely low-income households, veterans, and senior citizens, and other households on fixed incomes.

   a. **City of Culver City**
      The City provides for the protection of mobile home parks through the Mobile Home Park Conversion Tenant Protection Ordinance. Under this ordinance the

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\(^5\) [https://www.smgov.net/Overview.aspx](https://www.smgov.net/Overview.aspx)

\(^6\) [http://www.weho.org/residents/rent-stabilization-housing](http://www.weho.org/residents/rent-stabilization-housing)

\(^7\) BHMC 10-2-712

\(^8\) [http://hcidla.lacity.org/condominium-conversion-fees](http://hcidla.lacity.org/condominium-conversion-fees)
The property owner must provide reasonable relocation, a minimum of one year notification and first right of refusal to relocate into the converted new units. There are only two mobile home parks in the City. The other mobile home park is owned by the residents through a grant from the former agency. In exchanged for the grant, a majority of the park is under income and rent restrictions.

b. City of Los Angeles
Mobile homes are subject to the City’s Rent Stabilization Ordinance, whether rent is paid for the mobile home and the land upon which the mobile home is located, or rent is paid for the land alone.9

c. City of Santa Monica
Mobile home spaces are subject to the City’s Rent Control Law (Article XVIII of the City Charter).

d. County of Los Angeles
In October 2017, the County Board of Supervisors recently approved a motion by Supervisors Sheila Kuehl and Janice Hahn to explore the feasibility of restoring an expired rent control ordinance for mobile home parks.

4. Motel Conversions to Housing

a. City of Culver City
The City was recently granted $50,000 under the Measure H Homeless Planning Grant. These funds will be utilized to update/enhance the City’s current Strategies to Address Homelessness. Included in the update are seed funds to assist in the acquisition of an underutilized motels to be converted into a temporary homeless shelter for homeless children and their families.

b. City of Los Angeles
The City recently approved in Interim Motel Conversion Ordinance to streamline the approval process for converting existing motels and hotels to supportive and transitional housing for individuals and families experiencing homelessness. This would allow for transitional housing to be developed on a faster timeline than would be required to construct new units.

Affordable Housing Financing Mechanisms

1. Linkage Fees
The concept of a housing and/or commercial linkage fee is to charge a fee on certain development projects on a per-square-foot basis to mitigate the impacts of new housing and/or jobs created by the project. The revenue generated by the linkage fees are used to fund the development of affordable housing.

a. City of Los Angeles
In December 2017, the City Council approved a developer fee, or so-called linkage fee, on both new residential and commercial development to generate revenue for an affordable housing fund. The fee will take into effect beginning 2019. The City estimates that the fees will raise roughly $100 million annually. The fees take into account the location of the project being built. For example, higher fees will be imposed in higher market areas, including the Westside.10

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9 http://hcidla.lacity.org/Mobile-Home-Parks
b. City of Santa Monica
In 2015, the City approved an ordinance to establish the Affordable Housing Commercial Linkage Fee to contribute to the creation of affordable housing production or preservation to offset additional need for affordable housing generated by new commercial development. The fee is applied to commercial uses, including retail, office, creative office, medical office, hotel/lodging, industrial, and institutional uses.11

d. County of Los Angeles
The County is currently exploring the feasibility of a linkage fee for the unincorporated areas, as part of the its Affordable Housing Action Plan.

2. In-Lieu and Other Developer Fees

a. City of Santa Monica
Developers can pay an Affordable Housing Fee in-lieu of providing on-site or off-site affordable units administered as part of the Affordable Housing Production Program (AHPP). The affordable housing fee is updated annually based upon changes in land and construction costs.12

The City previously administered the Office Mitigation Program, which collected a fee on general office space that is applied towards affordable housing and parks.13

b. City of West Hollywood
Developers of residential projects with 10 or fewer units may choose to pay an Affordable Housing In-Lieu Fee, or provide a combination of fee and units, in-lieu of providing the units on-site. The in-lieu fee is to be paid before issuance of a building permit for the approved project and is placed in the City's Affordable Housing Trust Fund.14

3. Housing Trust Funds
Jurisdictions establish housing trust funds to generate and assemble financial resources to support the preservation and production of affordable housing.

a. City of Beverly Hills
The City’s 2014-2021 Housing Element called for the creation of a Housing Trust Fund to financially assist nonprofit and for-profit developers in the creation of affordable housing. The City had established the trust fund and are currently collecting funds from development projects.

b. City of Culver City
The City will explore the accumulation of Education Revenue Augmentation Fund (ERAF) loan proceeds to establish a housing trust fund.

c. City of Los Angeles
The City established the Affordable Housing Trust Fund Program in 2000.15

11 http://www.qcode.us/codes/santamonica/view.php?topic=9-6-9_68
12 https://www.smgov.net/Departments/HED/Housing_and_Redevelopment/Housing/Production_Program_(Inclusionary)/AHPP.aspx
13 https://www.smgov.net/departments/council/agendas/2012/20120228/s2012%200228-4A.pdf
14 http://www.weho.org/residents/rent-stabilization-housing/housing/affordable-housing/affordable-housing-trust-fund
d. City of Santa Monica
The City has several housing trust funds based upon revenue from housing in-lieu fees, commercial linkage fees, development agreements, affordable housing loan repayments, redevelopment ‘boomerang’ funds, federal block grants, and the transactions and use tax (Measures GS and GSH). Eligible use of the funds includes affordable rental housing development (new construction), and acquisition/rehabilitation of existing housing which is then dedicated as affordable housing. Housing trust funds are loaned to nonprofit housing organizations pursuant to Guidelines approved by City Council, which allow for administrative loan approvals.

e. City of West Hollywood
The City established the Affordable Housing Trust Fund in 1986 to help off-set development impacts and generate additional resources to meet the increasing need for affordable housing. The City Council adopted a policy of requiring residential and commercial developers to either provide affordable housing or pay a fee in-in-lieu of providing said housing. Residential in-lieu fees, commercial development fees, and settlement funds are paid to the City's Housing Trust Fund to be used exclusively for projects with at least 20 percent of the total number of units affordable to low income households and a minimum of 60 percent of the total number of units affordable to low and moderate-income households. The funds are used by non-profit developers to build said housing.

f. County of Los Angeles
In 2015, the County Board of Supervisors adopted a motion to create an Affordable Housing Programs Budget Unit and establish a multi-year plan to provide new funding for affordable housing. The County identified $40 million of funding in FY 2017-18 to support affordable housing. The County’s goal is to reach an annual allocation of Affordable Housing Programs Budget Unit is expected to grow to $100 million annually by FY 2020-21.16

5. Short-Term Rental Tax
Short-term rentals can negatively affect the rental housing stock when long-term rental units are lost or replaced as short-term rentals. Some jurisdictions collect transient occupancy tax from short-term rentals to generate local revenue their affordable housing trust funds.

a. City of Los Angeles
In 2016, the City began imposing a 14 percent tax from Airbnb units under a three-year agreement. So far, the City has already generated $13 million in revenue, which a significant portion of the revenue had been used to support rapid re-housing programs for the homeless. In 2015, Mayor Garcetti proposed to deposit the tax revenue to the City's Affordable Housing Trust Fund.17

Ballot Measures

1. City of Santa Monica

a. Proposition R (1990)
Approved by Santa Monica voters in November 1990, Proposition R - Affordable Housing Production Program (AHPP) requires that not less than 30 percent of all newly constructed multi-family residential housing in the City each year be

permanently affordable to, and occupied by, low- and moderate-income households.

b. **Proposition I (1998)**
   Approved by Santa Monica voters in November 1998, Proposition I authorizes the City, on an annual basis, to directly or indirectly finance affordable housing residences equal to one-half of one percent (1/2 of 1%) of the total number of residences in Santa Monica, and also allows for any unused authority to carryover (rollover) for three years.

c. **Measure GS and GSH (2016)**
   Approved by Santa Monica voters in November 2016, Measures GSH and GS enacted an increase in the City’s transaction and use tax, estimated to generate approximately $8 million annually, for the preservation and production of affordable housing, to protect residents from displacement, and reduce homelessness.

2. **City of Los Angeles**
   a. **Measure HHH (2016)**
      In November 2016, City voters approved a $1.2 billion in bond initiative to fund affordable housing for homeless people and people at risk of becoming homeless. The bond also funds facilities that provide mental health care, addiction treatment, and other services. As of December 2017, the City funded nine projects (615 housing units) which are expected to break ground in 2018.\(^{18}\)\(^{19}\)

   b. **Measure JJJ (2017)**
      In March 2017, the City voted to approve an initiative that imposes minimum affordable housing requirements on development projects that require a zoning change or an amendment to the City’s General Plan. The initiative also created the Transit Oriented Communities (TOC) Affordable Housing Incentive Program for all housing development proposed within a ½-mile radius of a major transit stop.

3. **County of Los Angeles**
   a. **Measure H (2017)**
      County voters approved a sales tax ballot measure that would generate an estimated $355 million annually for services to combat homelessness. Approximately $10 million was allocated in FY 2017-18 to support the strategy to preserve and promote the development of affordable housing for homeless families and individual.


California's 2017 Legislative Housing Package
Major Components

Provides critical funding for new affordable homes
- Imposes a $75 fee on recording of real estate documents (excluding sales) for investment in affordable-home development.
- Places a $4 billion general obligation bond on the November 2018 general election ballot for veterans and affordable housing programs.

Accelerates development to increase housing supply
- Creates a streamlined approval process for certain developments in cities/counties that have not yet met their legally mandated housing targets.
- Authorizes HCD to provide one-time planning funds and technical assistance to cities/counties to help them streamline housing production.
- Authorizes financial incentives for cities/counties that streamline development of housing in specific areas of their jurisdiction.

Holds cities/counties accountable for addressing housing needs in their communities
- Authorizes increased enforcement of state housing-planning ("housing element") law and enables HCD to refer violations to the Attorney General.
- Strengthens housing-planning law to ensure appropriate land is available for new development and increases transparency on local government progress in meeting legally mandated housing targets.
- Creates a $10,000 per unit penalty on cities/counties that deny (for unjustified reasons) approval of new homes affordable to low or moderate income Californians.

Creates opportunities for new affordable homes and preserves existing affordable homes
- Makes California's "farmworker housing tax credit" more attractive to developers.
- Creates additional tracking and enforcement responsibilities to ensure compliance with state housing-preservation laws.
- Allows the legislative body of a city/county the option to require a certain amount of low-income housing in any new residential rental developments.

1 In order of reference: SB 2 (Atkins), SB 3 (Beall), SB 35 (Wiener), AB 73 (Chiu), SB 540 (Roth), AB 72 (Santiago), AB 1397 (Low), AB 879 (Grayson), AB 166 (Skinner), AB 678 (Bocanegra)/SB 167 (Skinner) AB 1515 (Daly), AB 571 (E. Garcia), AB 1521 (Bloom), and AB 1505 (Bloom)
**Streamline Housing Development**

<table>
<thead>
<tr>
<th>Planning &amp; Zoning</th>
<th>SB 35 (Wiener) Streamline Approval Process</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Opt-in program for developers</em></td>
</tr>
<tr>
<td></td>
<td>Creates a streamlined approval process for developments in localities that have not yet met their housing targets, provided that the development is on an infill site and complies with existing residential and mixed use zoning.</td>
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<tr>
<td></td>
<td>Participating developments must provide at least 10 percent of units for lower-income families. All projects over 10 units must be prevailing wage and larger projects must provide skilled and trained labor.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planning &amp; Zoning</th>
<th>AB 73 (Chiu) Streamline and Incentivize Housing Production</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Opt-in program for jurisdictions and developers</em></td>
</tr>
<tr>
<td></td>
<td>Provides state financial incentives to cities and counties that create a zoning overlay district with streamlined zoning. Development projects must use prevailing wage and include a minimum amount of affordable housing.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planning &amp; Zoning</th>
<th>SB 540 (Roth) Workforce Housing Opportunity Zones</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Opt-in program for jurisdictions</em></td>
</tr>
<tr>
<td></td>
<td>Authorizes the state to provide planning funds to a city or county to adopt a specific housing development plan that minimizes project level environmental review. Requires at least 50 percent of total housing units within that plan to be affordable to persons or families, at or below moderate income, with at least 10 percent of total units affordable for lower income households. Development projects must use prevailing wage.</td>
</tr>
</tbody>
</table>

**Accountability and Enforcement**

<table>
<thead>
<tr>
<th>Amends Housing Accountability Act</th>
<th>AB 678 (Bocanegra)/SB 167 (Skinner) Strengthen the Housing Accountability Act</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strengthens the Housing Accountability Act by increasing the documentation necessary and the standard of proof required for a local agency to legally defend its denial of low and moderate-income housing development projects, and requires courts to impose a fine of $10,000 or more per unit on local agencies that fail to legally defend their rejection of an affordable housing development project.</td>
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<tr>
<td><strong>Accountability and Enforcement (Continued)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Amends Housing Accountability Act</strong>  </td>
<td><strong>AB 1515 (Daly) Reasonable Person Standard</strong></td>
</tr>
<tr>
<td> </td>
<td>States that a housing development conforms with local land use requirements if there is substantial evidence that would allow a reasonable person to reach that conclusion.</td>
</tr>
<tr>
<td><strong>Amends Housing Element Law</strong>  </td>
<td><strong>AB 72 (Santiago) Enforce Housing Element Law</strong></td>
</tr>
<tr>
<td> </td>
<td>Authorizes HCD to find a jurisdiction out of compliance with state housing law at any time (instead of the current eight-year time period), and refer any violations of state housing law to the Attorney General if it determines the action is inconsistent with the locality’s adopted housing element.</td>
</tr>
<tr>
<td><strong>Amends Housing Element Law</strong>  </td>
<td><strong>AB 1397 (Low) Adequate Housing Element Sites</strong></td>
</tr>
<tr>
<td> </td>
<td>Requires cities to zone more appropriately for their share of regional housing needs and in certain circumstances require by-right(^1) development on identified sites. Requires stronger justification when non-vacant sites are used to meet housing needs, particularly for lower income housing.</td>
</tr>
<tr>
<td><strong>Amends Existing Housing Law</strong>  </td>
<td><strong>SB 166 (Skinner) No Net Loss</strong></td>
</tr>
<tr>
<td> </td>
<td>Requires a city or county to identify additional low-income housing sites in their housing element when market-rate housing is developed on a site currently identified for low-income housing.</td>
</tr>
<tr>
<td><strong>Amends Existing Reporting Requirements</strong>  </td>
<td><strong>AB 879 (Grayson) and Related Reporting Bills</strong></td>
</tr>
<tr>
<td> </td>
<td>Make various updates to housing element and annual report requirements to provide data on local implementation including number of project application and approvals, processing times, and approval processes. Charter cities would no longer be exempt from housing reporting. Requires HCD to deliver a report to the Legislature on how local fees impact the cost of housing development.</td>
</tr>
</tbody>
</table>

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\(^1\) Current housing law defines by-right as local government review of a project may not require a conditional use permit or other discretionary action that would constitute a “project” under the California Environmental Quality Act
<table>
<thead>
<tr>
<th><strong>Create and Preserve Affordable Housing</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ongoing Source</strong></td>
</tr>
<tr>
<td><strong>SB 2 (Atkins) Building Jobs and Homes Act</strong></td>
</tr>
<tr>
<td>Imposes a fee on recording of real estate documents excluding sales for the purposes of funding affordable housing. Provides that first year proceeds will be split evenly between local planning grants and HCD’s programs that address homelessness. Thereafter, 70 percent of the proceeds will be allocated to local governments in either an over-the-counter or competitive process. Fifteen percent will be allocated to HCD, ten percent to assist the development of farmworker housing and five percent to administer a program to incentivize the permitting of affordable housing. Fifteen percent will be allocated to CalHFA to assist mixed-income multifamily developments.</td>
</tr>
<tr>
<td><strong>Affordable Housing Bond</strong></td>
</tr>
<tr>
<td><strong>SB 3 (Beall) Veterans and Affordable Housing Bond Act</strong></td>
</tr>
<tr>
<td>Places a $4 billion general obligation bond on the November 2018 general election ballot. Allocates $3 billion in bond proceeds among programs that assist affordable multifamily developments, housing for farmworkers, transit-oriented development, infrastructure for infill development, and homeownership. Also funds matching grants for Local Housing Trust Funds and homeownership programs. Provides $1 billion in bond proceeds to CalVet for home and farm purchase assistance for veterans.</td>
</tr>
<tr>
<td><strong>Land Use: Zoning Regulations</strong></td>
</tr>
<tr>
<td><strong>AB 1505 (Bloom) Inclusionary Ordinances</strong></td>
</tr>
<tr>
<td>Authorizes the legislative body of a city or county to require a certain amount of low-income housing on-site or off-site as a condition of the development of residential rental units.</td>
</tr>
<tr>
<td><strong>Amends Preservation Noticing law</strong></td>
</tr>
<tr>
<td><strong>AB 1521 (Bloom) Preserve the Existing Affordable Housing Stock</strong></td>
</tr>
<tr>
<td>Requires the seller of a subsidized housing development to accept a bonafide offer to purchase from a qualified purchaser, if specified requirements are met. Gives HCD additional tracking and enforcement responsibilities to ensure compliance.</td>
</tr>
<tr>
<td><strong>Amends Farmworker Housing and Office of Migrant Services Programs</strong></td>
</tr>
<tr>
<td><strong>AB 571 (E. Garcia) Low-Income Housing Credits for Farmworkers</strong></td>
</tr>
<tr>
<td>Makes modifications to the state’s farmworker housing tax credit to increase use. Authorizes HCD to advance funds to operators of migrant housing centers at the beginning of each season to allow them to get up-and-running. Extends the period of time that migrant housing centers may be occupied up to 275 days.</td>
</tr>
</tbody>
</table>
Affordable Housing Linkage Fee (AHLF) Ordinance

Matthew Glesne, City Planner
Department of City Planning
City of Los Angeles
What is a Housing Linkage Fee?

Fee to mitigate impacts of large new projects

- Commercial Fee
  - Generated by low-wage employment in commercial development

- Market-Rate Housing Fee
  - Generated by new market rate housing occupants’ spending
History and Context

Third time’s a charm!

Housing crisis has reached critical stage

Funding for affordable housing has been significantly reduced (-78% in LA)

LA was only major coastal City in US without a dedicated funding source (and/or inclusionary zoning)
Los Angeles may be missing out on millions in fees from developers, audit finds

LA collects $5 million/year in Impact Fees (out of $5.3 billion in permitted construction)
Linkage Fee Allows for:

- A permanent source of funding
- A flexible funding source
- Significantly increasing affordable housing creation
- Maximization of outside funding leverage
California Mitigation Fee Act

• Linkage Fees are subject to the CA Mitigation Fee Act
• City must prepare a Nexus Study
• Fee cannot mitigate “existing deficiencies”
• Additional requirements on tracking and expenditure
Schedule

• Fall 2015 - Mayor Garcetti announced support
• Spring 2016 - BAE Economics selected as nexus study consultant
• Summer 2016 - Nexus Study Working Group (3 meetings)
• Fall 2016 - Released Draft Ordinance and Nexus Study
• December 2017 – Approved!
## Nexus Study Methodology

Housing need created through **commercial**

<table>
<thead>
<tr>
<th>Commercial Type</th>
<th>Extremely Low</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Total</th>
<th>Maximum Legal Fee (per sq. ft.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>17.3</td>
<td>16.6</td>
<td>24.2</td>
<td>8.9</td>
<td>67</td>
<td>$247.84</td>
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<tr>
<td>Retail</td>
<td>22.9</td>
<td>23.3</td>
<td>27.8</td>
<td>8.1</td>
<td>82</td>
<td>$308.82</td>
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<tr>
<td>Industrial</td>
<td>8.1</td>
<td>10.2</td>
<td>13</td>
<td>3.9</td>
<td>35.3</td>
<td>$130.60</td>
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<tr>
<td>Hotel/Motel</td>
<td>8.6</td>
<td>10.4</td>
<td>12.5</td>
<td>4.2</td>
<td>35.7</td>
<td>$132.68</td>
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<tr>
<td>Warehouse</td>
<td>8.5</td>
<td>8.6</td>
<td>11</td>
<td>3.3</td>
<td>7</td>
<td>$117.52</td>
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<tr>
<td>Medical</td>
<td>12.9</td>
<td>13.2</td>
<td>20.1</td>
<td>7</td>
<td>53.2</td>
<td>$195.78</td>
</tr>
</tbody>
</table>
Nexus Study Methodology
Housing need created through *residential*

<table>
<thead>
<tr>
<th>Market Rate Housing Type</th>
<th>Worker Households per 100 Market-Rate Units</th>
<th>Maximum Legal Fee (per Unit)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Extremely Low</td>
<td>Very Low</td>
</tr>
<tr>
<td>Multifamily Rental</td>
<td>6.1</td>
<td>6.0</td>
</tr>
<tr>
<td>Multifamily Condominiums</td>
<td>6.9</td>
<td>6.8</td>
</tr>
<tr>
<td>Single Family Attached</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Single Family Detached</td>
<td>10.5</td>
<td>10.4</td>
</tr>
</tbody>
</table>
Commercial Fees
Legal, Feasible and Proposed Fees
Residential Fees
Legal, Feasible and Proposed Fees

- MF Rental
  - Legal: $12
  - Feasible (High): $18
  - Feasible (Med.): $24
  - Proposed: $74

- MF Condo
  - Legal: $12
  - Feasible (High): $22
  - Feasible (Med.): $45
  - Proposed: $64

- SF Attached
  - Legal: $12
  - Feasible (High): $26
  - Feasible (Med.): $32
  - Proposed: $42

- SF Detached
  - Legal: $12
  - Feasible (High): $31
  - Feasible (Med.): $49
  - Proposed: $49
Option A – CPC Recommendation

Citywide fee

$12 psf - Residential (6+ units)

$1 psf - 2-5 unit structures

$5 psf - Commercial

Exemptions and deductions

Estimated Annual Revenue = $95-116m
Going from Option B to Option C

From 114 neighborhoods to 35 CPAs

From 3 market areas to 4
Landing on Option C

3 & 4 Market Areas
35 Community Plan Areas

Residential Fee
Low Market: $8 psf
Medium Market: $10 psf
Medium-High Market: $12 psf
High Market: $15 psf

Commercial Fee
Low Market: $3 psf
Medium Market: $4 psf
High Market: $5 psf
Exemptions

• South LA Promise Zone
• Multi-family w/ 5 units or less and ADUs
• Public common areas, unenclosed architectural features
• Mixed-income housing developments (40% mod, 20% low, or 11% very low, 8% ELI)
• Compliance with greater affordability reqt.
• Adaptive reuse of historic building
• Single-Family w/ > 2,000 1,500 sq. ft. net new*
• Non-residential w/ < 25,000 15,000 sq. ft.
• Government or Institutional Use
• Grocery Store (if in food desert)
Deductions and Credits

- Change of Use to Residential
- Restricted Affordable Units
- Mixed-Use - 15,00 SF of Non-residential
- Land Dedication
- Transfer of Floor Area (TFAR) Downtown

Allows for protest and partial or whole waiver based on Constitutional taking argument
Phase-In and Grandfathering

• Ordinance doesn’t take effect for 180 days after adoption (mid June)
• Includes a 3 part phase-in
  – 1/3 of fee first 6 months
  – 2/3 of fee next 6 months
  – Full fee 1.5 years after adoption
Comparison of Commercial Fees

Note: Except for LA, Boston and West Hollywood, these are average figures based on fee ranges.
Comparison to **Residential Fees**
Fee Requirements

Calculated on New or Added Floor Area in a “Development Project”

“Development Project” includes:
- Additional Units (Net)
- Additional Nonresidential Floor Area
- Single family project adding > 1500 SF net
- Change of use to residential

Annual Adjustments per CPI-U for region

Five year market areas adjustment
Estimated Annual Revenue

- Residential: $68 to $83 million / year
- Commercial: $8 to $10 million / year
- Total: $104 million / year
How Will Fees Be Spent

• Creation of Housing Impact Trust Fund
  – Administered by HCIDLA
  – Major expenditures approved by City Council
• To address varied and evolving affordable housing needs of the City
• Production and Preservation

• Expenditure Plan within 6 months
• Annual Report to City Council
Additional Considerations

- Only one part of City’s housing strategy
- Flexible funding source
- A much lower “burden” vs. Inclusionary Zoning (IZ)
- Many neighboring cities have IZ or Housing Fees
- Adds predictability and certainty
- Affordable housing is an economic engine
Thank You

Matthew.Glesne@lacity.org
(213) 978-2666
TO: Westside Cities COG Board Members  
FROM: Jeff Kiernan, Regional Public Affairs Manager, League of California Cities®  
RE: League Update for COG Meeting on January 18, 2018

I. Governor Brown Proposes $190.3 Billion State Budget
Despite increased revenues from a growing economy, Governor Brown urged caution and warned of a future economic slowdown as he looks to put most of the projected $6.1 billion surplus into reserves. Of chief concern for Brown are the unknown impacts that may be coming from reductions in Federal programs which could impact the State budget, especially affecting health care and tax reform. Of interest for cities: the proposed budget includes $2.7 billion in funding for local streets and road maintenance ($1.2b of that is from last year’s SB 1) and $600 million is anticipated in revenues from the sale of recreational cannabis, although it should be noted that is strictly an early estimate and more definitive figures will have to wait for the May budget revise.
Additional details on this proposed budget’s impact on local government can be found in the January 10th CA Cities Advocate article at www.cacities.org/CACitiesAdvocate.

II. The Public Utilities Commission (PUC) Proposes New Community Choice Aggregation (CCA) Registration Requirements
In December the League was alerted to a proposed PUC resolutions expanding authority over CCAs. This draft resolution, known as E-4907, proposes to significantly expand regulatory oversight over implementation and operation of CCAs. The League is working with CAL-CCA on mobilizing cities to oppose this action by the PUC and we have a sample resolution and opposition letter available in advance of the PUC’s February meeting on this subject.

III. Legislation Introduced to Prevent Offshore Drilling
In early January, U.S. Interior Secretary Zinke proposed allowing new offshore drilling in California for the first time since 1984. State legislators responded by introducing AB 1775 (Muratsuchi) & SB 934 (Jackson); these identical measures would prohibit the State Lands Commission and local trustees from entering into lease agreements in the state regulated coastal waters – up to 3 miles from the coastline. The League’s policy on offshore drilling is understandably outdated, so staff will be taking these bills to our Environmental Quality committee JAN 18 with a recommendation to support them.

IV. CalPERS Stays the Course – Making No Changes to the Assumed Rate of Return
After an intense November meeting where city officials from over 35 cities appeared and made clear that employers could no longer absorb increases to their pension obligations, the CalPERS Board met in December and formally adopted no change to the 30-year blended rate of return of 7%, a.k.a. the discount rate. It is important to note that CalPERS projects a 6.2% return over the next decade, so cities need to expect a significant increase in contributions moving forward. The League will continue to advocate for changes to California pension law and provide educational information, tools, and news to our member cities at www.cacities.org/pensions.
1. County Homeless Regional Coordination Grant

   a. Original Statement of Work
      i. The working group provided comments on the original statement of work and stated that the items appear to be already included in the existing contract with ELP Advisors. Winnie clarified that statement of work is meant to augment WSCCOG’s staff.

   b. Proposed Revision to Statement of Work
      i. The City of Santa Monica suggested that the WSCCOG could benefit from a public education campaign to inform the public about the available services and answer questions. Santa Monica has already received a grant from the County to develop a training curriculum by June 2018 in which the member cities could be rolled in the planning process
      ii. Santa Monica’s training curriculum would be designed to be used broadly across communities or customized for individual cities.
      iii. Deliverables could be proposed messaging and materials, online training curriculum for outreach and engagement capacity, as well as public education on how volunteers could help advance the goals of the County’s homeless strategies
      iv. Santa Monica’s grant would bring a consultant on to conduct targeted focus groups in which the Westside cities can participate

   c. Next Steps
      i. WSCCOG staff will work with the City of Santa Monica to develop an initial draft statement of work based on the proposed revisions
      ii. WSCCOG staff proposes to present the revised statement of work to the WSCCOG Board on January 18 for approval to submit to the County
      iii. WSCCOG staff will present the finalized contract for the WSCCOG Board to execute on March 8