



QUARTERLY STATUS REPORT | July 1, 2013 to June 30, 2016

# Mayor Garcetti's Executive Directive 13, Support for Affordable Housing

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Eric  
Garcetti



**Photo by Abode Communities:** Rendering depicts the redevelopment plans for Rolland Curtis Gardens along Metro's Expo Line in South LA. This mixed-use affordable housing development will contain 140 affordable units for families, 6,500 square foot community health clinic, and 1,500 square feet of community-serving retail.

## SECTION 1: Executive Summary

Los Angeles is facing an unprecedented housing crisis. Renters in particular are feeling the market pressure, which threatens Los Angeles' legacy as a city of economic opportunity for all. Harvard University's Joint Center for Housing Studies has found that Los Angeles is the most expensive of the nation's 100 largest metropolitan regions when wages are compared to housing costs.

The root of this problem is clear: there is not enough housing to keep up with demand. And the direct effect of that imbalance is a city where too many people struggle to find housing and make ends meet. To combat this crisis and help address the growing housing demand, Mayor Garcetti set an ambitious goal of permitting 100,000 new housing units by 2021. To ensure our housing stock grows in an inclusive way, the Mayor also set a goal to build or preserve at least 15,000 affordable units for low-income households by 2021. That means doubling the City's production of affordable units, and transforming the lives of about 40,000 Angelenos.

To reach these goals, Mayor Garcetti and the City Council are advancing a number of initiatives to create new revenue streams for affordable housing, and more incentives for housing production and preservation.

Mayor Garcetti announced Executive Directive 13, Support for Affordable Housing (ED 13), in October 2015. ED 13 is a “Back to Basics” operational directive that helps streamline the development of critical new housing developments that address our housing shortage. It directs the general managers of the Department of City Planning (DCP), the Department of Building and Safety (DBS), and the Housing and Community Investment Department (HCID) to:

- Develop and implement policies for prioritizing and streamlining case processing for projects that contribute to the new construction or rehabilitation of affordable housing developments.
- Assign an Affordable Housing Liaison to join the Mayor’s Affordable Housing Cabinet, which will promote interdepartmental coordination in expediting project approvals for qualified affordable housing developments.
- Develop and implement policies to streamline and integrate case processing between Departments for all housing development activities regardless of affordability levels.

This report describes the City’s progress toward implementing the streamlining directives for housing development outlined in ED 13, beginning at the start of his administration on July 1, 2013. It also contains a new “Housing Scorecard” that tracks the City’s progress toward Mayor Garcetti’s housing goals. The Mayor’s offices of Economic Development and Economic Opportunity will update this report and scorecard on a quarterly basis to inform stakeholders about the progress of development reform initiatives and key indicators for the City’s housing programs.



*Photo by AMCAL Multi-Housing, Inc: View from Hollenbeck Terrace.*

## SECTION 2: How the City is Implementing ED 13



**Photo by the Office of Mayor Garcetti:** Mayor Eric Garcetti signs Executive Directive 13 at the Los Angeles Business Council's annual Mayoral Housing, Transportation and Jobs Summit at UCLA.

### Streamlining Initiatives for Affordable and Permanent Supportive Housing

Pursuant to ED 13, the Mayor established an Affordable Housing Cabinet composed of staff from DCP, DBS, and HCID. This cabinet is implementing a variety of policies to streamline case processing for significant affordable housing developments.

To qualify for streamlined processing under ED 13, a housing project must contain 10 or more units. Rental projects must set aside at least 20% of units for low-income residents; and for-sale projects must set aside 30% for moderate-income households. If a development meets these thresholds, it will be provided the following services:

- DCP's Priority Housing Project (PHP) program, which offers focused entitlement processing services and dedicated staff from application submittal to the issuance of a determination. (For more information, contact: [\(213\) 202-5456](tel:(213)202-5456) or [dcp PHP@lacity.org](mailto:dcp PHP@lacity.org))
- Prioritized assignment to an engineer within two weeks of application submittal to DBS and prioritized review for building, electrical, plumbing, mechanical or grading permits. (For more information, contact: [\(213\) 473-3231](tel:(213)473-3231))
- Prioritized processing of covenant recordings in HCID. To reduce processing times by at least two weeks for all covenant recordings, staff will also significantly reduce redundancies in application review and documentation. (For more information, contact: [\(213\) 808-8843](tel:(213)808-8843))

To further the Mayor's goals of streamlining the development of significant affordable housing and permanent supportive housing developments, DCP's new Citywide Housing Policy division, which Mayor Garcetti initiated, will propose new enhancements to existing codes aiming to streamline the Density Bonus program and create new land-use incentives. Staff will also propose draft zoning code amendments that would update regulations and promote housing for people experiencing homelessness, including emergency shelters and permanent supportive housing.

Finally, DCP is in the process of developing a package of CEQA implementation strategies that will enable the City to take full advantage of applicable state CEQA incentives for infill residential projects.

*"East LA Community Corporation is grateful for the support our Cielito Lindo Apartments received from the Mayor's Affordable Housing Cabinet. Their ability and initiative to communicate with city agencies involved with the approval process for affordable housing kept the process moving timely. Executive Directive 13 proved to be largely successful in championing developments like ours to move forward and serve our low-income tenants and community."*

-Isela Gracian, President, East LA Community Corporation

## **Policies to Streamline Housing Development**

Executive Directive 13 also directed City departments to implement policies to streamline and integrate case processing for all housing development activities, regardless of affordability levels. These efforts are ongoing and include cross-department Case Management services in the planning phase, Inspection Case Management in the construction phase, and the forthcoming BuildLA software platform, which will offer an integrated, streamlined entitlement and permitting process for all customers, including coordinated case intake, processing and review across departments.

Since July 1, 2013, City departments have implemented the following development reform initiatives that make it easier for investment to occur in the City:

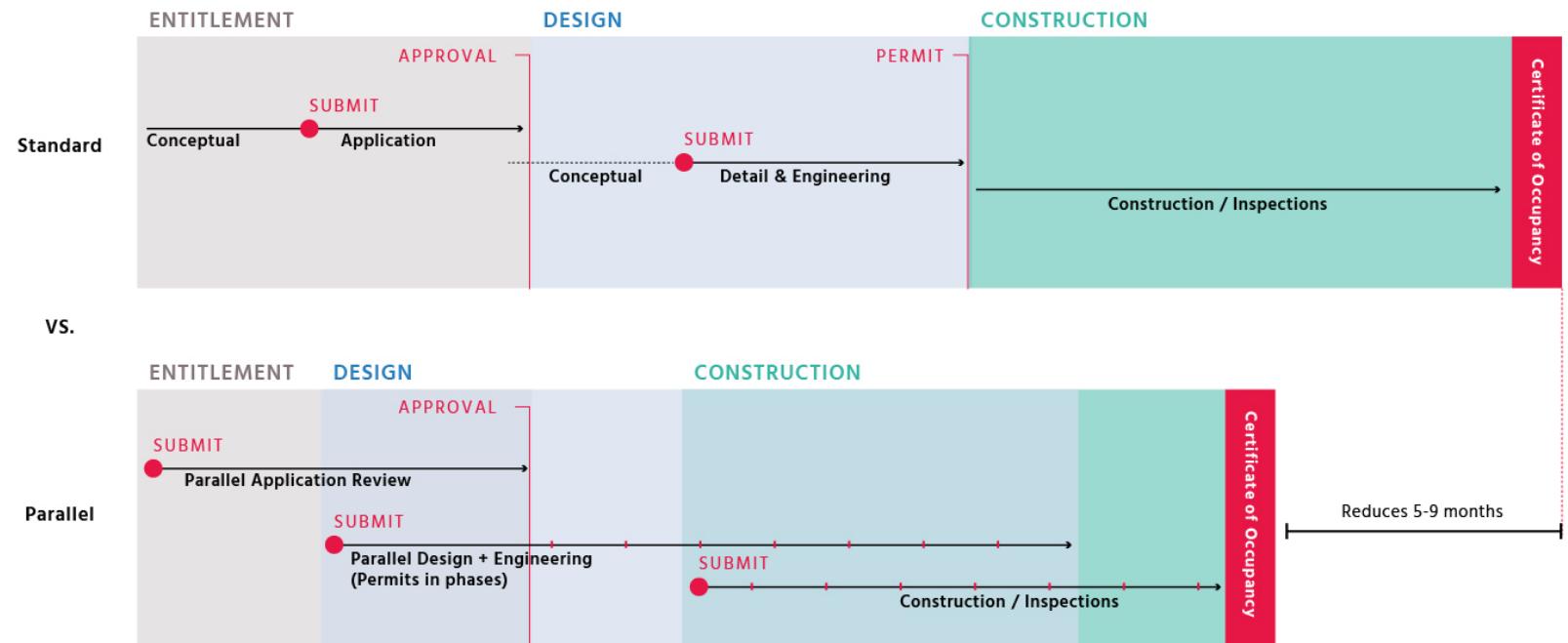
#### **BACK TO BASICS REFORM**

- Online Records System, launched in June 2015, provides free online access to more than 13 million DBS records dating back to 1905, including building permits and certificates of occupancy. This service is estimated to save more than 25,000 trips to City Hall for records annually, saving time and money for residents, business and developers.
- Building Information Online (BIO), launched in February 2016, is a new interactive map that helps customers easily find technical information about parcels and buildings.
- New DBS website, completed in 2015, provides easier access to information and services available to the development community.

#### **STREAMLINING INITIATIVES COMPLETED**

- ***Development Services Co-Location.*** The Downtown Development Service Center (DSC) is complete and currently expanding, with an additional floor of services to include DCP and DOT in the same building. The Van Nuys DSC also now offers a complete range of development services to Valley customers. The build-out and staffing of the West LA DSC is expected to be complete by the end of 2016.
- ***Expanded Counter Plan Check (ECPC)*** program, launched in May 2015, is the expansion of same-day, walk-in plan check services for small building projects, which enhances convenience and improves turnaround time for DBS customers. Through ECPC, engineers are now available for walk-in, face-to-face plan checks for building and development projects requiring one to three hours to review, whereas customers may have previously had to wait for 2-3 weeks. ECPC is offered at DBS counters in the Downtown, Van Nuys and West LA Development Service Centers. Since the program's launch in May, 30% of plans have been checked through ECPC and DBS overall plan check processing times have improved, without the addition of new staff resources.

- **Parallel Design Permitting Process (PDPP)** reduces approval timelines 5-9 months by allowing construction to proceed concurrently with design for major development projects. More than 100 major projects have been permitted through this system since July 2013. For example, Metropolis developer Greenland was able to have initial plans approved while complete design was still underway. This allowed them to break ground only six months after they came to the City for approval.



- **Inspection Case Management Program (ICM)**, which enables senior inspectors to assist major and mid-size projects as case managers who coordinate construction inspections and facilitate issuance of the certificates of occupancy. Since launching in November 2014, the program has assisted more than 140 projects with a total valuation of almost \$6 billion. The Wilshire Grand Hotel, for example, shaved 6 months off construction timelines.

*"I can't imagine completing a project without ICM today. Without it, we would probably stop building in our beloved city,"*

-Sonny Astani, Chairman, Astani Enterprises

- In October 2015, DBS and DWP implemented **Automated Electric Meter Release** for Development Projects. The Automated Electric Meter Release system replaces a manual process that was unreliable and lengthy. With this enhancement, when a DBS inspector finalizes an electrical permit, a notification will automatically be generated and sent to the DWP database. This will eliminate weeks of processing time and development projects will obtain their Certificate of Occupancy faster.



**Photo by AMCAL Multi-Housing, Inc:** Hollenbeck Terrace is an adaptive reuse project that transformed the historic Linda Vista Community Hospital in Boyle Heights, which had been vacant for decades. In partnership with the East Los Angeles Community Corporation, the project provides 97 affordable units for low-income seniors with services provided by LifeSTEPS.

## SECTION 3: Quarterly Housing Scorecard

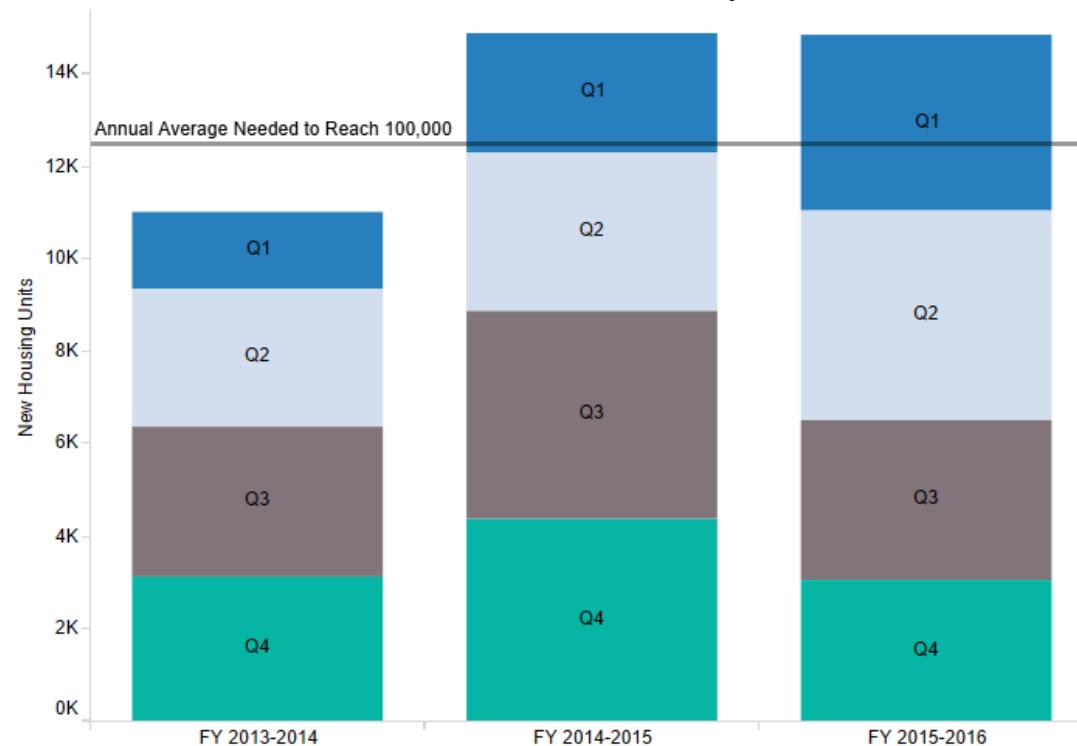
### Goal 1: Building 100,000 Housing Units by 2021

#### SCORE: ON TRACK

To meet the Mayor's goal of permitting 100,000 new units by 2021, the City needs to permit an average of 12,500 new units per year. The City is on track to meet this goal. Since July 1, 2013 to June 30, 2016 the City has issued permits for **40,805** new dwelling units, averaging about 13,601 new dwelling units per year<sup>1</sup>.

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<sup>1</sup> This indicator summarizes all new units issued at the time of building permit issuance. Actual new units built may vary.

**1. NEW DWELLING UNITS PERMITTED IN THE CITY OF LOS ANGELES: *July 01, 2013 to June 30, 2016***

**Source:** Department of Building and Safety of the City of Los Angeles

### Building the Pipeline for New Housing Units

The City is expanding the pipeline for new housing in two ways. First, by implementing the Mayor's Community Plan program, which will update land-use regulations and help guide future development in key nodes and corridors in a way that respects existing neighborhood context and character.

The City also builds its pipeline for new housing units through the approval process for individual development projects. Proposals that conform to existing zoning regulations and need no DCP review (known as "by-right" projects) may submit applications for building permits directly to DBS. Projects that are required to undergo a site-plan review and those that seek variances, zone changes, or other actions must be approved through DCP's

discretionary process. Discretionary approvals also require developers to disclose or mitigate environmental impacts of their projects according to the California Environmental Quality Act (CEQA).

Colloquially, a project receives its “entitlements” when it is approved through this discretionary process. These new units “entitled” are a good indicator for future building permits to be issued by DBS.

The chart below shows that from July 1, 2013 to June 30, 2016, DCP entitled 54,914 new dwelling units. The vast majority of these (87%) are part of multifamily developments.

**2. DWELLING UNITS ENTITLED BY BUILDING TYPE: *July 01, 2013 to June 30, 2016***

New Multiple Family Units	New Single Family Units	New Units in Other Building Types
Apartments 32,221	Regular 2,607	Multi Family Live Work 186
Condos 16,173	Small Lot 1,332	Guest Rooms and Other 3,121
<b>Total 48,394</b>	<b>Total 3,939</b>	<b>Total 3,307</b>

**Source:** LA Department of City Planning

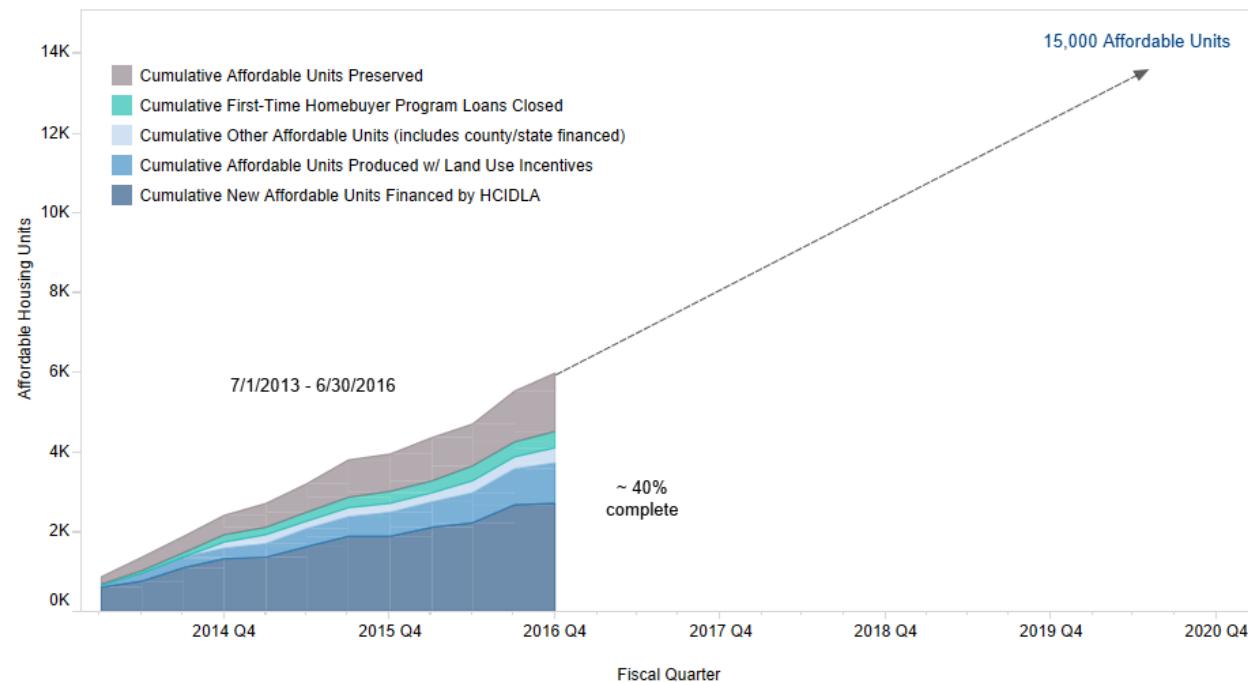
## Goal 2: Producing and Preserving 15,000 Affordable Units

**SCORE: ON TRACK**

The City is on track to meet the Mayor's goal to build and preserve at least 15,000 affordable units by 2021. However new revenue sources — like an affordable housing linkage fee and general obligation bond — are necessary to maintain this momentum and to address a larger share of the 438,000 low-income households experiencing severe housing problems in the City.<sup>2</sup>

From July 1, 2013 to June 30, 2016 there were **5,982** affordable units financed or incentivized in the City. Of those, **5,774** were affordable to low-income households, reaching 38% of the Mayor's 15,000 unit goal.

### 3. AFFORDABLE UNITS PRODUCED AND PRESERVED: *July 01, 2013 to June 30, 2016*



**Source:** LA City Housing and Community Investment Department

<sup>2</sup> According to HUD's special tabulations of the 2009-2013 American Community Survey, 438,835 low-income households in the City experience a "severe housing problem," which means they are either severely overcrowded, pay more than 50% of their income on housing and/or have incomplete plumbing and/or kitchen facilities.

### Details of Affordable Units

Of the affordable units financed or incentivized in the City from July 1, 2013 to June 30, 2016, 1,488 were at-risk, low-income units preserved from losing their affordability status.

Some 680 new affordable units were specifically reserved for the homeless, about 496 for older adults, 3,173 for families, and 145 for other household types, like disabled and veteran.<sup>3</sup>

Beginning in 2014, HCIDLA and the Housing Authority of the City of LA (HACLA) established a goal to provide financing for 300 units of permanent supportive housing (PSH) for the homeless each year. From July 1, 2013 to June 30, 2016, the City has fallen short of this goal, producing on average 227 homeless units per year. However, through new land-use reforms and new revenue sources, the Mayor expects to increase annual production to 1,000 PSH units in the years to come.

#### 4. TYPE OF HOUSEHOLDS SERVED IN AFFORDABLE HOUSING: *July 01, 2013 to June 30, 2016*

	New Affordable Units	Preserved Affordable Units <sup>4</sup>
<b>Homeless Housing<sup>5</sup></b>	680	85
<b>Elderly Housing</b>	496	926
<b>Family Housing<sup>6</sup></b>	3,173	477
<b>Other Household Types</b>	145	0
<b>TOTAL</b>	4,494	1,488

*Source: LA City Housing and Community Investment Department*

<sup>3</sup> These overall totals do not include affordable units recapitalized. The aggregations also assume that all first-time homebuyer loans and all affordable housing units produced in market-rate developments by land-use incentives are family housing.

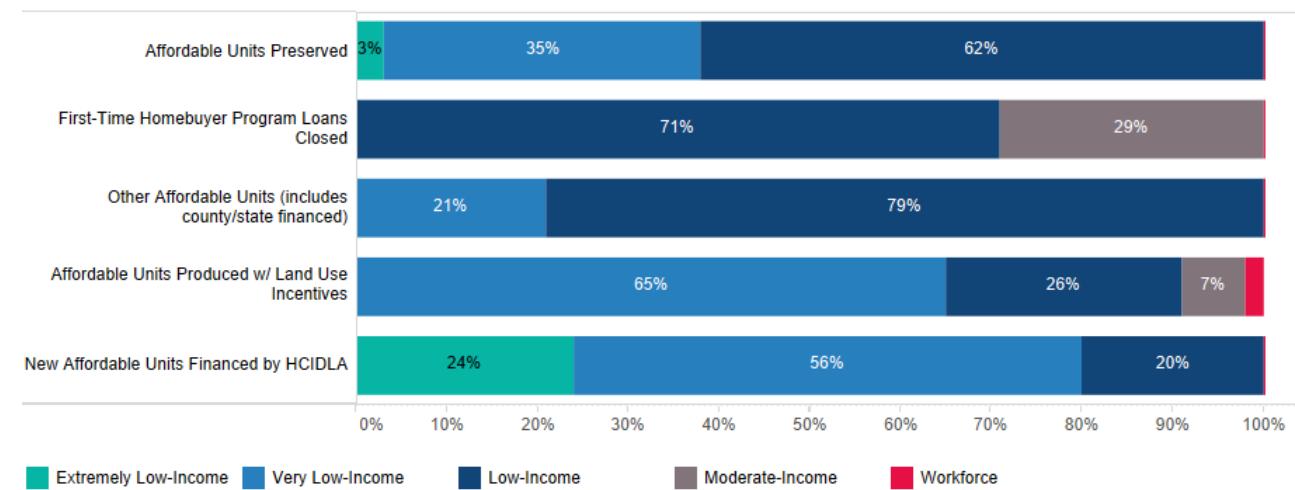
<sup>4</sup> Because of data limitations, we interpolate the household type for 268 preservation units.

<sup>5</sup> Homeless housing includes units that would also qualify as elderly, family, and other categories. To avoid double-counting, the elderly, family and other categories do not include any homeless housing.

<sup>6</sup> Because of data limitations, we assume all first-time homebuyer loans and all units produced by land-use incentives are family units.

Almost all (97%) of the units the City preserved, produced and incentivized from July 1, 2013 to June 30, 2016 were targeted to low-income Angelenos making less than 80% of the area median income (AMI). Almost 60% of the total affordable units were reserved for very-low and extremely low-income Angelenos (those making less than 50% and 30% of the AMI, respectively)<sup>7</sup>.

#### 5. AFFORDABILITY LEVELS OF AFFORDABLE UNITS: *July 01, 2013 to June 30, 2016*



*Source:* LA City Housing and Community Investment Department

<sup>7</sup> Many units with rents restricted at 80% and 50% of the AMI may also serve homeless and extremely low-income families (e.g. families making 30% of the AMI) with additional rental assistance resources. For perspective, a two-person family at 50% of the AMI makes \$34,200 per year. At 80% of the AMI, a two-person family makes \$54,650 per year. “Moderate-income” families are those making 120% of the AMI, while “workforce” are those making 150% of the AMI.

## Other Stats: Protecting Renters in a Tight Housing Market

Long-term affordability covenants ensure that housing costs remain affordable to low-income households for decades to come. In addition, the City's Rent Stabilization Ordinance protects hundreds of thousands of renter households at all incomes from dramatic rent increases and no-fault evictions in our City's tight housing market. The City's Systematic Code Enforcement Program in HCIDLA also ensures the City's multifamily rental stock remains safe and habitable for the City's rental households.

From July 1, 2013 to June 30, 2016, the City has:

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### **Resolved 19,019 tenant complaints.**

*Resolves 1,585 rent complaint cases on average per quarter.*

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On average, HCIDLA staff resolves about 1,585 tenant complaints per quarter. Last quarter (Q4 FY2015-16) HCIDLA resolved 1,846 complaints, the most since Q1 FY2013-14. A complaint is typically resolved when the landlord has remedied any illegal activity or the City determined the complaint was not a violation of the RSO.

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### **Resolved 10,078 illegal eviction complaint cases.**

*Resolves 840 illegal eviction complaints on average per quarter.*

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On average, HCIDLA staff resolves 840 illegal eviction complaint cases per quarter. Last quarter (Q4 FY2015-16) HCIDLA resolved 977 cases, the most since Q1 FY2013-14. A case is typically resolved when a landlord agrees not to evict a tenant, when HCIDLA secures relocation assistance for no-fault evictions, or the City determines the eviction was allowable.

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### **Secured \$23.2 million in relocation assistance for 1,859 families.**

*Secures \$12,460 in relocation assistance per family for 155 families on average per quarter.*

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Under the RSO, landlords are required to pay relocation assistance to tenants evicted through no-fault of their own. On average, HCIDLA secures relocation assistance for 155 families per quarter. Last quarter (Q4 FY2015-16) HCIDLA secured \$2.2M in relocation assistance for 175 evicted families.

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### **Restored 31,854 rental units to safe living conditions.**

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HCIDLA restores rental units to safe living conditions by enforcing the City's housing through due process hearings, referral to the Office of the City Attorney for criminal prosecution, and acceptance into the Rent Escrow Account Program. Through these enforcement programs, HCIDLA prevents the displacement of tenants as the result of uninhabitable conditions.

# Acknowledgments:

## ***Office of Los Angeles Mayor Eric Garcetti:***

Deputy Mayor Ray Chan, Deputy Mayor Brenda Shockley, Ashley Atkinson, Nicholas Maricich, Bora Shin, Ben Winter

## ***Department of City Planning:***

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## ***Cover page photos:***

Construction at McCormack Baron Salazar's Santa Cecilia Apartments in Boyle Heights (photo by LADBS); Exterior of Skid Row Housing Trust's "The Six," a permanent supportive housing development for veterans in MacArthur Park (photo by Tara Wujcik); Resident of a new affordable housing development (photo by HCIDLA).

