

HOUSING and PLANNING AND LAND USE MANAGEMENT COMMITTEES' REPORT relative to refunding the Affordable Housing Linkage Fee (AHLF) for an incomplete construction project where a Certificate of Occupancy is never obtained.

Recommendations for Council action, as initiated by Motion (Blumenfield – Hutt):

1. INSTRUCT the Planning Department (DCP) and the Department of Building Safety (LADBS), with the assistance of the City Administrative Officer (CAO), and in consultation with the City Attorney, to prepare and present an ordinance to amend Los Angeles Municipal Code Sections 19.18 and 16.02, the AHLF, to allow for a refund after construction has started but never completed, and a Certificate of Occupancy never obtained, up to \$35,000 for single family home projects. Such shall be applicable retroactively to incomplete single family development projects whose permits expired within the last 3 years.
2. INSTRUCT the CAO, with the assistance of the Housing Department and LADBS, to report on the estimated number of projects that would qualify for the proposed refund, the estimated amount of Affordable Housing Linkage Fee revenue that would be refunded, and any potential impact on funding available for affordable housing programs, retroactively and prospectively.
3. INSTRUCT the DCP and the LADBS, in consultation with the City Attorney, to ensure that the proposed ordinance provides that, where an Affordable Housing Linkage Fee has been refunded pursuant to this ordinance and the property is subsequently developed, the applicable Affordable Housing Linkage Fee shall be assessed and collected as part of any new building permit for the property.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes

For if Amended: Palms Neighborhood Council

Summary:

On September 8, 2026, your Housing Committee considered an August 11, 2025 Motion (Blumenfield – Hutt) relative to refunding the AHLF for an incomplete construction project where a Certificate of Occupancy is never obtained. According to the Motion, the AHLF helps fund the construction of much-needed affordable housing units in the City in an amount commensurate with the number of completed market-rate units that are constructed within the City. If the unit is never completed and a Certificate of Occupancy is not issued, then an AHLF paid in conjunction with such a project should be refunded to the project owner. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion recommendation as amended by Council District Six.

Subsequently, on September 22, 2026, your Planning and Land Use Management Committee considered the matter and, after having provided an opportunity for public comment, concurred with the recommendation of the Housing Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Housing Committee

COUNCILMEMBER	VOTE
PADILLA:	YES
JURADO:	YES
PARK:	YES

RM
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Planning and Land Use Management Committee

COUNCILMEMBER	VOTE
BLUMENFIELD:	YES
RAMAN:	YES
JURADO:	YES
LEE:	YES
NAZARIAN:	YES

CR

-NOT OFFICIAL UNTIL COUNCIL ACTS-