

Linkage Fee Update



Dear Stakeholder,

Last week, City Planning released a new memo summarizing the updated fee schedule for the Affordable Housing Linkage Fee (Linkage Fee). The revised fee schedule incorporates the latest change to the Consumer Price Index (CPI-U) for the greater Los Angeles area, adjusted to account for annual inflation. The updated fee schedule will take effect on July 1, 2020 and will result in a 0.7 percent increase across each market area as specified in the Linkage Fee Ordinance. Development Projects that are subject to the Linkage Fee pay the applicable fee amount that is in place at the time of building permit issuance.

The Linkage Fee Ordinance was adopted by the City Council on December 13, 2017. It established a fee on certain new market-rate residential and commercial development. The revenues from this ordinance generate local funding for affordable units, in addition to supporting the City's overall housing needs.

The Linkage Fee amount varies by the type of project, and by market area. The fee schedule describes the fee amount that applies to different types of development projects, by market area. To determine the market area for any property in the City of Los Angeles, refer to ZIMAS or the maps included in the fee schedule.

For each Development Project, the Linkage Fee is calculated by the Department of Building and Safety as follows:

Step 1 The amount of new or added floor area in the Development Project devoted to the uses described in the Linkage Fee Schedule below (after subtracting any eligible demolished floor area as defined in LAMC 12.03 within the prior year);

Step 2 Multiplied by the amount of the applicable fee, depending on the market area in which the project is located, and type of project, at the time the building permit for the Development Project is issued;

Step 3 Multiplied by the applicable phase-in ratio ($\frac{1}{3}$ or $\frac{2}{3}$, based on when a building permit application or a complete planning or zoning entitlement is submitted). This phase-in ratio is applicable only during the initial phase-in period;

Step 4 Minus any applicable deductions or credits.

Resources Updated Fee Schedule: Effective July 1, 2020

Adopted Ordinance

Implementation Memo

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