

City of Los Angeles

Tricia Keane, Interim General Manager

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager



LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.675.7272

housing.lacity.org

Karen Bass, Mayor

October 24, 2024

Los Angeles City Council
City of Los Angeles, c/o the City Clerk
Room 395, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attn: Mandy Morales, Legislative Analyst

CORRECTION TO COUNCIL FILE No. 23-0038-S7: REVISED REPORT FROM THE LOS ANGELES HOUSING DEPARTMENT REQUESTING APPROVAL OF THE FISCAL YEAR 2024/2025 UNITED TO HOUSE LOS ANGELES (ULA) EXPENDITURE PLAN AND RELATED ACTIONS

The Los Angeles Housing Department (LAHD) respectfully submits a revised report containing the proposed Fiscal Year (FY) 2024/2025 United to House Los Angeles (ULA) Expenditure Plan (C.F. No. 23-0038-S7).

The FY 2024/2025 ULA Expenditure Plan requires minor revisions to allocate ULA revenue generated in the form of accrued interest through June 30, 2024, which was excluded from revenue calculations provided in the LAHD report dated June 26, 2024. Addition of the accrued interest results in an overall increase of \$5,690,750.09 in ULA revenue available for the FY 2024/2025 Expenditure Plan. The additional interest revenue has been added to the overall revenue, which is allocated across ULA Administration and Programs based on the required allocation percentages in the ULA measure and ordinance and required true-up adjustments, resulting in increased allocations across all categories. Where relevant, the enclosed report and attachments have been revised to reflect this additional ULA revenue available for the FY 24/25 ULA Expenditure Plan. In addition, the recommendations in the enclosed report have been revised to incorporate Controller instructions needed to effectuate the proposed Expenditure Plan.

On September 25, 2024, the Budget, Finance and Innovation Committee requested that LAHD provide a detailed breakdown of the proposed sub-program allocations, as outlined in the proposed ULA Program Guidelines, submitted on behalf of the ULA Citizen Oversight Committee (COC) and currently pending consideration under C.F. No. 23-0038-S8. LAHD submitted a supplemental report to C.F. No. 23-0038-S7 on September 27, 2024, responding to this request. Given the revised FY 24/25 Expenditure Plan, adjustments to the sub-program allocations are also necessary. The revised Expenditure Plan provided in the enclosed report therefore provides a sub-program breakdown of those proposed allocation categories, contingent on City Council and Mayoral approval of the proposed Program Guidelines.

Finally, in response to direction from the City Council on August 29, 2023 (C.F. No. 23-0038) requesting quarterly reports relative to monitoring ULA related contracts, Attachment C of this revised report provides a status update on all contracts and expenditures related to the ULA FY 23/24 Expenditure Plan, and associated program metrics. Going forward, LAHD will provide quarterly updates to the City Council on the status of these contracts and expenditures.

LAHD therefore recommends that the attached revised LAHD report dated October 21, 2024 replace the prior LAHD reports submitted on June 26, 2024 and September 27, 2024 under C.F. No. 23-0038-S7.

Sincerely,

Tricia Keane
Interim General Manager

City of Los Angeles

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October 21, 2024

Council File: 23-0038-S7
Council District: Citywide
Contact Person(s): Greg Good

Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

REVISED COUNCIL TRANSMITTAL: REPORT FROM THE LOS ANGELES HOUSING DEPARTMENT REQUESTING APPROVAL OF THE FISCAL YEAR 2024/2025 UNITED TO HOUSE LOS ANGELES (ULA) EXPENDITURE PLAN

SUMMARY

The United to House Los Angeles (ULA) measure and ordinance requires that by July 1st of each year, the Los Angeles Housing Department (LAHD) provide an expenditure plan to the ULA Citizen Oversight Committee (COC), and the City Council and Mayor. The expenditure plan shall include: (1) an accounting of ULA revenues collected in the previous fiscal year, by expenditure category; (2) an expenditure plan for the subsequent year, which shall comply, to the maximum extent possible, with the program guidelines provided for in the measure; and (3) projected revenues and expenditures for the two subsequent fiscal years, resulting in a three-year expenditure plan.

The measure and ordinance also require that, within the expenditure plan, specific percentages of annual revenue be allocated to ten prescribed expenditure categories. In Fiscal Year (FY) 23/24, due to legal challenges and a recently-invalidated ballot measure intended to overturn ULA, LAHD was granted limited authority to spend up to \$150 million on only six of those ten expenditure categories. As a result, the inaugural ULA Expenditure Plan did not align with the measure's prescribed spending percentages.

During the FY 24/25 City budget process, the City Council directed LAHD via motion, to submit to the COC and then to the City Council, a "true up" of FY 23/24 revenue and a FY 24/25 ULA Expenditure Plan that allocates funds for the coming year so that cumulative spending for the first two fiscal years of ULA are aligned with the measure's prescribed allocation requirements to the greatest degree possible based on cash-on-hand as of June 30, 2024. Council also directed LAHD to base the FY24/25 Expenditure Plan on revenue collected as of June 30, 2024, minus the initial \$150 million LAHD was authorized to spend in Fiscal Year 23/24.

As a result, the Department has prepared an Expenditure Plan for FY 24/25 and the two subsequent fiscal years that complies with the requirements of the ULA measure and ordinance, and trues up program allocations. Each Expenditure Plan is based on the available revenue, or cash on hand, that was received, or is estimated to be received, in the prior fiscal year.

The City Council has also directed LAHD to develop and provide a spending and implementation plan, outlining the work required to effectuate the Plan over the course of FY 24/25. This report addresses the timeline for that FY 24/25 work plan, which was developed concurrently with the ULA Program Guidelines that have been transmitted on behalf of the COC to the City Council for review and approval, under C.F. No. 23-0038-S8.

Finally, this report also addresses inquiries in the same motion, as well as an additional motion, regarding the eligibility and applicability of particular policy priorities and City obligations to ULA programs and spending, as well as requests for periodic reporting on the hiring of ULA-funded positions.

RECOMMENDATIONS

That the City Council, with approval of the Mayor:

1. APPROVE the enclosed Fiscal Year 2024/25 United to House Los Angeles Expenditure Plan, as submitted by the Los Angeles Housing Department.
2. AUTHORIZE the Controller's office to establish new appropriation accounts and transfer funds within the House LA Fund No.66M as follows:

<u>From:</u>	<u>Account Name</u>	<u>To:</u>	<u>Account Name</u>	<u>Amount</u>
43A00C	Affordable Housing Programs	43AU07	OpAs CpBld HO	\$29,249,515.29
43A00C	Affordable Housing Programs	43AU08	Alternative Models for PAH	\$65,811,409.41
43A00C	Affordable Housing Programs	43AU05	Multifamily Affordable Housing	\$8,951,103.41
43A00C	Affordable Housing Programs	43AU10	Acq & Rehab of Affordable Housing	\$29,249,515.29
			Total:	\$133,261,543.40

3. AUTHORIZE the General Manager of LAHD, or designee, to prepare the Controller Instructions and any necessary technical adjustments consistent with the Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

BACKGROUND

FY 23/24 Expenditure Plan and True Up Requirement

The ULA measure and ordinance established ten program categories, and provide specific allocation percentages that govern how program spending should be distributed across administration and those ten program areas.

Given the aforementioned legal and recently-invalidated electoral challenges, and the attendant uncertainty they created, the City's approved FY 23/24 Budget only authorized LAHD to spend up to \$150 million in ULA revenue as that revenue came in, and limited spending to six designated program categories, as well as program administration. On August 30, 2023, the City Council approved the ULA FY 23/24 Expenditure Plan and corresponding Interim Program Guidelines, which

created a framework for allocating and spending up to \$150 million in ULA Revenues. The City Council subsequently approved a revised FY 23/24 Expenditure Plan on October 31, 2023, reallocating \$12 million from the Income Support for Rent Burdened At-Risk Seniors and Persons with Disabilities Program to the Short-Term Emergency Assistance Program, in order to maximize the immediate impact of the City's investment of ULA funds and provide additional needed rental assistance payments to eligible low-income seniors and persons with disabilities.

Table 1 shows the revised FY 23/24 Expenditure Plan, as well as the resulting percentage allocations of House LA Fund Programs.

Table 1. FY 23/24 Approved Expenditure Plan

Total Revenue FY 23/24 Approved Expenditure Plan	\$150,000,000		
Expenditure Category	ULA Prescribed Allocation	Approved Expenditures FY 23/24	Actual Percentage Allocation FY 23/24
House LA Fund - Administration	8%	\$12,000,000	8%
Citizen Oversight Committee	3%	\$360,000	3%
Administration - Program Support	97%	\$11,640,000	97%
House LA Fund - Programs	92%	\$138,000,000	92%
Housing Production Programs			
Multifamily Affordable Housing	22.5%	\$56,860,306	41.2%
Alternative Models for Permanent Affordable Housing	22.5%	\$0	0%
Acquisition & Rehabilitation of Affordable Housing	10%	\$0	0%
Homeownership Opportunities, Capacity-Building & Operating Assistance	10%	\$0	0%
Program Stabilization Fund	5%	\$0	0%
Housing Production Programs - Subtotal	70%	\$56,860,306	41.2%
Homelessness Prevention Programs			
Short-Term Emergency Assistance	5%	\$30,400,000	22%
Income Support for Rent-Burdened At-Risk Seniors & Persons with Disabilities	10%	\$11,000,000	8%
Eviction Defense & Prevention	10%	\$23,000,000	16.7%
Tenant Outreach & Education	2%	\$5,520,000	4%
Protections from Tenant Harassment	3%	\$11,219,694	8.1%
Homelessness Prevention Programs - Subtotal	30%	\$81,139,694	59%
Total	100%	\$150,000,000	100%

The City Attorney's office has advised that these FY 23/24 allocations necessitate reconciliation of program allocations in the immediate subsequent expenditure plans to ensure that the funding for ULA programs is rebalanced to comply with the Measure. The COC has also urged LAHD, via motion, to "true-up" the Expenditure Plan as expeditiously as possible.

ULA Revenue Update

The collection of the ULA transfer tax began on April 1, 2023. From that date through the end of June 2024, the Office of Finance received a total of \$312,238,763 in tax receipts. This total reflects \$15,576,372 received in FY 22/23 (April 1 through June 30, 2023), plus \$296,662,392 received in FY 23/24 (July 1, 2023 through June 30, 2024). Additionally, as of June 30, 2024 the House Los Angeles Fund accumulated interest revenue totaling \$5,690,750. Total ULA revenue collected through June 30, 2024, inclusive of interest revenue, is shown in Table 2.

Table 2. Actual ULA Revenue Through End of FY 23/24

Time Period	Tax Revenue	Interest Revenue	Total ULA Revenue
FY 22/23	\$15,576,372.33	\$4,174.70	\$15,580,547.03
FY 23/24	\$296,662,391.63	\$5,686,575.39	\$302,348,967.02
Total	\$312,238,763.96	\$5,690,750.09	\$317,929,514.05

Given currently available information, the Department projects expected revenues for the subsequent two fiscal years will align with the amount of tax revenue collected in FY 23/24 — a forecast of approximately \$296.6 million each fiscal year. Monthly collections in 2024 have been trending higher, and in the likely event that actual revenues exceed this estimate, the Department will revise revenue estimates and expenditures in subsequent expenditure plans.

For the purposes of estimating available interest revenue to generate proposed expenditure plans for subsequent fiscal years, the Department conservatively estimates an 1.5% interest rate. This yields an estimated annual interest revenue of approximately \$4.4 million. Total anticipated available ULA revenue for FY 24/25 and FY 25/26 is shown in Table 3.

Table 3. Forecasted ULA Revenue, FY 24/25 and FY 25/26

Time Period	Tax Revenue	Interest Revenue	Total ULA Revenue
FY 24/25	\$296,662,391.63	\$4,449,935.87	\$301,112,327.50
FY 25/26	\$296,662,391.63	\$4,449,935.87	\$301,112,327.50

Status of Ballot Measure and Pending Litigation

The California Supreme Court has ruled that the Taxpayer Protection and Government Accountability Act cannot appear on the November 2024 statewide ballot. As a result, there is no longer a danger of that ballot measure passing and potentially invalidating ULA and other similar measures passed in California between January 2022 and November 2024.

With that hurdle cleared, pending litigation remains the only potential threat to ULA. The litigation challenging the validity of ULA may be resolved at some point before the end of calendar year 2024. In the event that the City prevails in the litigation, it will be free and clear of any potential obligation to refund ULA revenues collected to-date.

Status of Program Guidelines and Implementation Plan

The adoption of long-term Program Guidelines for all ten program categories is necessary to begin full implementation of ULA. Toward that end, the Department has submitted proposed ULA Program Guidelines on behalf of the COC under C.F.

No. 23-0038-S8 and looks forward to consideration of these Program Guidelines and a quarterly implementation plan by the City Council before the end of the 2024 calendar year.

Following consideration and adoption of the Program Guidelines and quarterly implementation plan by the City Council, the Department will present a staffing plan to facilitate implementation of ULA Programs.

FISCAL YEAR 24/25 EXPENDITURE PLAN DETAIL

As part of the FY 24/25 City Budget process, the City Council provided direction to LAHD to prepare a ULA Expenditure Plan for FY 24/25 that accomplishes two key objectives:

1. Pursuant to the request of the ULA Citizens Oversight Committee, prepares a “true up” of revenues received in FY 23/24 to ensure compliance with the guidelines of the ballot measure; and
2. Establishes a FY 24/25 Expenditure Plan based on ULA income through June 30, 2024.

As shown in Table 2 above, total ULA income through June 30, 2024 is \$317,929,514.05. After subtracting the \$150 million in ULA revenues that were already approved and are committed through the FY 23/24 Expenditure Plan, the remaining rollover balance available to be allocated for the FY 24/25 Expenditure Plan is \$167,929,514.05.

As a result, the FY 24/25 Expenditure Plan provided in Attachment A includes:

- A proposed FY 24/25 Expenditure Plan which allocates the \$167.9 million in ULA revenues that are expected to rollover from FY 23/24, and reflects necessary true up adjustments, and
- Projected revenues and expenditures for FY 25/26 and FY 26/27, with further necessary true up adjustments as described below.

On June 13, 2024, LAHD presented the draft Expenditure Plan to the ULA Citizen Oversight Committee (COC), in accordance with the requirements of the ULA ballot measure and effectuating ordinance. Consistent with City Council direction, that draft Expenditure Plan incorporated a forecasted \$25 million in revenue for June 2024, given that was the only month in Fiscal Year 23/24 for which actual receipts were not yet available. Following that meeting, the City received actual revenue figures for June 2024.¹ The Expenditure Plan provided in Attachment A has been revised to reflect the actual ULA receipts received for June 2024, as well as interest accrued through June 30, 2024.

On September 25, 2024, the Budget, Finance and Innovation Committee directed LAHD to provide a detailed breakdown of the proposed sub-program allocations, as outlined in the proposed ULA Program Guidelines currently pending consideration under C.F. No. 23-0038-S8. The proposed Guidelines for the Alternative Models for Permanent Affordable Housing (Alternative Models) Program and the Acquisition and Rehabilitation of Affordable Housing (Acq/Rehab) Program include recommendations that two sub-programs be created within each umbrella program, with different levels of funding allocation assigned for each of the first three fiscal years. These proposed sub-programs and associated proposed allocations are as follows:

- Alternative Models for Permanent Affordable Housing Program
 - New Construction Sub-Program
 - Allocated at least 60% in FY 24/25, at least 70% in FY 25/26, and at least 85% in FY 26/27

¹ Monthly ULA receipts reflect transfer tax transactions that occurred in the prior month. For all tax payments that occur in a given month, the City receives funds from the County the following month. Therefore, any ULA tax payments that will occur in June 2024 will be received in July 2024 and will be considered FY 24/25 revenues.

- Preservation Sub-Program
 - Allocated no more than 40% in FY 24/25, 30% in FY 25/26, and 15% in FY 26/27
- Acquisition and Rehabilitation of Affordable Housing Program
 - Small Naturally Occurring Affordable Housing (NOAH) Sub-Program
 - Allocated at least 50% in FY 24/25, and at least 60% in FY 25/26 and FY 26/27
 - Preserving Affordability Sub-Program
 - Allocated no more than 50% in FY 25/25, and no more than 40% in FY 25/26 and FY 26/27

The Expenditure Plan provided in Attachment A provides a sub-program breakdown of those proposed allocation categories, contingent on City Council and Mayoral approval of the proposed Program Guidelines.

Additionally, Attachment B contains a summary of the total remaining committed, but as-of-yet unspent, funds from the FY 23/24 Expenditure Plan as of June 30, 2024, plus the FY 24/25 Expenditure Plan, to reflect the total remaining funds allocated in each Program account.

Administration

The ULA measure and ordinance requires that no more than 8% of overall ULA revenue be used for administration. Of the total administration fund, 3% is required to be allocated to the staffing and expenses of the ULA COC; with the remaining 97% allocated to ULA administration activities. This portion must cover administration of all ULA Programs, as ULA Program funds cannot be used for administrative costs. Any administration costs incurred by City Departments — including costs associated with compliance, implementation, administration, and enforcement — must be charged to the 8% Administration fund. This includes any costs associated with program development.

As shown in Table 1, the FY 23/24 Expenditure Plan included an 8% allocation to Administration; therefore, there is no need to true up the allocation to Administration this Fiscal Year.

Fiscal Year 24/25

The Expenditure Plan sets forth allocations for administration and all ten program categories, and is substantially consistent with the requirements enumerated in the ULA measure and ordinance. As described below, the FY 24/25 Expenditure Plan includes necessary true up adjustments to bring allocations in line with the requirements of ULA. As a result of these adjustments, allocations for six out of the ten program categories will be fully trued up in FY 24/25, consistent with the requirements of ULA. The remaining four program categories will require further adjustment in subsequent fiscal years, as described below.

The following true up adjustments are included in the Proposed FY 24/25 Expenditure Plan:

- **Housing Production Programs:** Increased allocation to reflect necessary true up adjustments resulting from the approved FY 23/24 Expenditure Plan, including:
 - **Multifamily Affordable Housing:** Reduced program allocation for FY 24/25. Cumulative expenditures for FY 23/24 and FY 24/25 will result in a 22.5% allocation to this program category; no further adjustment in subsequent years is required as this aligns with ULA requirements.
 - **Alternative Models for Permanent Affordable Housing:** Increased program allocation for FY 24/25. Cumulative expenditures for FY 23/24 and FY 24/25 will result in a 22.5% allocation to this program category; no further adjustment in subsequent years is required as this aligns with ULA requirements.

- **Acquisition & Rehabilitation:** Increased program allocation for FY 24/25. Cumulative expenditures for FY 23/24 and FY 24/25 will result in a 10% allocation to this program category; no further adjustment in subsequent years is required as this aligns with ULA requirements.
- **Homeownership Opportunities, Capacity-Building & Operating Assistance:** Increased program allocation for FY 24/25. Cumulative expenditures for FY 23/24 and FY 24/25 will result in a 10% allocation to this program category; no further adjustment in subsequent years is required as this aligns with ULA requirements.
- **Program Stabilization Fund:** Reduced program allocation to \$0 for FY 24/25, in order to accommodate needed increased allocations in other program categories. Cumulative expenditures for FY 23/24 and FY 24/25 result in a 0% allocation to this program category; further true up adjustment will be required in two subsequent fiscal years to complete true up with ULA required 5% program allocation.
- **Homelessness Prevention Programs:** Reduced allocation to reflect necessary true up adjustments resulting from the approved FY 23/24 Expenditure Plan, including:
 - **Short-Term Emergency Assistance:** Reduced program allocation to \$0 for FY 24/25. Cumulative expenditures for FY 23/24 and FY 24/25 will result in a 10.4% allocation to this program category; further true up adjustment will be required in two subsequent fiscal years to complete true up with ULA-required 5% program allocation.
 - **Income Support for Rent-Burdened Seniors & Persons with Disabilities:** Minimally reduced program allocation for FY 24/25 in order to accommodate needed increased allocations in other program categories. Cumulative expenditures for FY 23/24 and FY 24/25 will result in an 8.8% allocation to this program category; further true up adjustment will be required in one subsequent fiscal year to complete true up with ULA-required 10% program allocation.
 - **Eviction Defense & Prevention:** Reduced program allocation for FY 24/25. Cumulative expenditures for FY 23/24 and FY 24/25 will result in a 10% allocation to this program category; no further adjustment in subsequent years is required as this aligns with ULA requirements.
 - **Tenant Outreach & Education:** Reduced program allocation for FY 24/25. Cumulative expenditures for FY 23/24 and FY 24/25 will result in a 2% allocation to this program category; no further adjustment in subsequent years is required as this aligns with ULA requirements.
 - **Protections from Tenant Harassment:** Reduce program allocation to \$0 for FY 24/25. Cumulative expenditures for FY 23/24 and FY 24/25 will result in a 3.8% allocation to this program category; further true up adjustment will be required in one subsequent fiscal year to complete true up with ULA-required 3% program allocation.

NOTE: Staffing costs allocated and approved in the FY 23/24 Interim Protections from Tenant Harassment Program Guidelines have not been exhausted due to the pause in new hiring. This hiring and staffing — and attendant costs — has now been authorized by Council, and will be implemented and available for the FY 24/25 expenditure and program year, pending approval through the CAO's Prioritized Critical Hiring process.

Fiscal Year 25/26 and Fiscal Year 26/27

As described above and based on currently available revenue estimates, four program categories will require true up adjustments to occur over more than one fiscal year, in order to accommodate the expenditure amounts approved in the existing FY 23/24 Expenditure Plan. Below is a summary of the projected true up adjustments included to ensure that expenditures achieve compliance with the ULA measure and ordinance.

- Program Stabilization Fund (5% ULA-prescribed allocation):
 - **FY 25/26:** Increased program allocation. Cumulative expenditures through FY 25/26 will thus result in a 4.7% allocation to this program category; further minor adjustment will be required in subsequent FY 26/27 to complete true up.
 - **FY 26/27:** Increased program allocation to complete program true up. Cumulative expenditures through FY 26/27 will result in 5% program allocation; no further adjustment in subsequent years will be required.
- Short-Term Emergency Assistance (5% ULA-prescribed allocation):
 - **FY 25/26:** Reduced program allocation to \$0. Cumulative expenditures through FY 25/26 will thus result in a 5.3% allocation to this program category; further minor adjustment will be required in subsequent FY 26/27 to complete true up.
 - **FY 26/27:** Reduced program allocation to complete program true up. Cumulative expenditures through FY 26/27 will result in 5% program allocation; no further adjustment in subsequent years will be required.
- Income Support for Rent-Burdened Seniors & Persons with Disabilities (10% ULA-prescribed allocation):
 - **FY 25/26:** Increased program allocation to complete program true up. Cumulative expenditures through FY 25/26 will result in a 10% allocation to this program category; no further adjustment in subsequent years will be required.
- Protections from Tenant Harassment (3% ULA-prescribed allocation):
 - **FY 25/26:** Reduced program allocation. Cumulative expenditures through FY 25/26 will result in a 3% allocation to this program category; no further adjustment in subsequent years will be required.

FISCAL YEAR 24/25 WORK PLAN

In collaboration with and on behalf of the COC, LAHD has transmitted proposed permanent ULA Program Guidelines for consideration by the City Council under C.F. 23-0038-S8. These guidelines provide frameworks for future implementation of the ten expenditure programs envisioned and prescribed by the measure and ordinance. Consistent with Council instruction, LAHD has also developed a work plan that outlines and sequences program activities and spending. The Department is currently in the process of identifying associated staffing needs necessary to effectuate the enclosed expenditure plan. The Department looks forward to presenting a detailed staffing plan to the City Council for its consideration in fall 2024.

ULA FUNDING ELIGIBILITY AND APPLICABILITY TO EXISTING CITY OBLIGATIONS

In a motion introduced during the FY 24/25 Budget process, the City Council directed LAHD to report on the eligibility and applicability of particular policy priorities and City obligations to ULA programs and spending. The Expenditure Plan

does not provide direction on how these priorities could be reflected in ULA Programs. However, all these priorities will be addressed as part of the program guidelines process.

The ULA measure and ordinance establishes program and expenditure requirements related to each ULA program. To the extent that the Council wishes to adopt program guidelines to support key priorities, those program guidelines must be in alignment with not only the goals, but the actual eligibility requirements of ULA program guidelines. Accordingly, questions raised during budget process regarding the use of ULA funds for key priorities will be addressed as part of the program guidelines process. For example, Council has requested that LAHD consider program guidelines that support victims of domestic violence, a population for whom increased opportunities to secure affordable housing is a stated goal in the measure. LAHD will report back on options toward that end in conjunction with presentation of the guidelines. Additionally, program guidelines for the ULA housing production programs will address the use of ULA funds to meet other identified City priorities, as articulated in existing motions, such as social housing and the use of public land such as the Caltrans 710 properties.

Given that the ULA measure and ordinance mandate adherence to particular articulated eligibility and priority requirements, LAHD will report back not only with an assessment of the applicability of the aforementioned City priorities, but also an assessment on how those priorities may be addressed alternatively with other capital resources in the event those priorities are deemed ineligible for ULA funding relative to the ordinance and program guidelines.

The City Council has additionally requested information on how the implementation of ULA Programs would support the City's obligations and goals related to accessibility. As required by the City's existing accessibility settlements and programs, housing production and rehabilitation activities supported by ULA will comply with all applicable accessibility requirements. Additionally, any supportive housing units produced through ULA affordable housing production programs will contribute to achieving the number of units the City must produce to meet its obligations under the Alliance settlement. ULA funds cannot be used for production of interim housing.

Finally, the City Council has requested that LAHD provide periodic reports on hiring progress, in consultation with the City Attorney, for the Protections from Tenant Harassment and Eviction Defense and Prevention programs. The positions for the TAHO program were approved by the Council and Mayor in FY 23/24, but filling them this fiscal year was delayed by the prioritized critical hiring process. The funding for these positions is still committed from the FY 23/24 allocation of \$150 million, and the positions will be filled in FY 24/25. Hiring for other programs will be included in the FY 24/25 work plan to be provided in conjunction with the ULA Program Guidelines, as well as in a subsequent staffing plan the Department will transmit to Council.

CONCLUSION

The Department looks forward to the City Council's consideration of the proposed ULA Fiscal Year 2024-2025 Expenditure Plan.

Approved By:



Tricia Keane

Interim General Manager

Los Angeles Housing Department

ATTACHMENTS:

- A. ULA FY 24/25 Expenditure Plan
- B. ULA Cumulative Available Proposed Allocations - FY 23/24 and FY 24/25 (as of 6/30/24)
- C. First Quarterly Report on Status of ULA Contracts and Expenditures

ATTACHMENT A: ULA FY 24/25 EXPENDITURE PLAN

Table 1. FY 24/25 Expenditure Plan Reflecting True Up

Total Revenue	\$167,929,514.05		
Expenditure Category	ULA Prescribed Allocation	Proposed Expenditure Plan FY 24/25	Percent Allocated FY 24/25
House LA Fund - Administration	8%	\$13,434,361.12	8%
Citizen Oversight Committee	3%	\$403,030.83	3%
Administration - Program Support	97%	\$13,031,330.29	97%
House LA Fund - Programs	92%	\$154,495,152.93	92%
Affordable Housing Program			
Multifamily Affordable Housing	22.5%	\$8,951,103.41	5.8%
Alternative Models for Permanent Affordable Housing	22.5%	\$65,811,409.41	42.6%
Alternative Models: New Construction Program	60%	\$39,486,845.65	
Alternative Models: Preservation Program	40%	\$26,324,563.76	
Acquisition & Rehabilitation of Affordable Housing	10%	\$29,249,515.29	18.9%
Acq/Rehab: Small NOAH Program	50%	\$14,624,757.65	
Acq/Rehab: Preserving Affordability Program	50%	\$14,624,757.65	
Homeownership Opportunities, Capacity-Building & Operating Assistance	10%	\$29,249,515.29	18.9%
Homeownership Opportunities Program	40%	\$11,699,806.12	
Capacity-Building Program	10%	\$2,924,951.53	
Operating Assistance Program	50%	\$14,624,757.65	
Program Stabilization Fund	5%	\$0.00	0%
Affordable Housing Program - Subtotal	70%	\$133,261,543.40	86.3%
Homelessness Prevention Program			
Short-term Emergency Assistance	5%	\$0.00	0%
Income Support for Rent-Burdened At-Risk Seniors & Persons with Disabilities	10%	\$14,654,191.17	9.5%
Eviction Defense/Prevention	10%	\$6,249,515.29	4%
Tenant Outreach & Education	2%	\$329,903.06	0.2%
Protections from Tenant Harassment	3%	\$0.00	0%
Homelessness Prevention Program - Subtotal	30%	\$21,233,609.52	13.7%
Total	100%	\$167,929,514.05	100%

Table 2. FY 25/26 Expenditure Plan Reflecting True Up

Total Revenue	\$301,112,327.50		
Expenditure Category	ULA Prescribed Allocation	Proposed Expenditure Plan FY 25/26	Percent Allocated FY 25/26
House LA Fund - Administration	8%	\$24,088,986.20	8%
Citizen Oversight Committee	3%	\$722,669.59	3%
Administration - Program Support	97%	\$23,366,316.61	97%
House LA Fund - Programs	92%	\$277,023,341.30	92%
Affordable Housing Program			
Multifamily Affordable Housing	22.5%	\$62,330,251.79	22.5%
Alternative Models for Permanent Affordable Housing	22.5%	\$62,330,251.79	22.5%
Alternative Models: New Construction Program	70%	\$43,631,176.26	
Alternative Models: Preservation Program	30%	\$18,699,075.54	
Acquisition & Rehabilitation of Affordable Housing	10%	\$27,702,334.13	10%
Acq/Rehab: Small NOAH Program	60%	\$16,621,400.48	
Acq/Rehab: Preserving Affordability Program	40%	\$11,080,933.65	
Homeownership Opportunities, Capacity-Building & Operating Assistance	10%	\$27,702,334.13	10%
Homeownership Opportunities Program	40%	\$11,080,933.65	
Capacity-Building Program	10%	\$2,770,233.41	
Operating Assistance Program	50%	\$13,851,167.07	
Program Stabilization Fund	5%	\$26,551,849.82	9.6%
Affordable Housing Program - Subtotal	70%	\$206,617,021.67	74.6%
Homelessness Prevention Program			
Short-term Emergency Assistance	5%	\$0.00	0%
Income Support for Rent-Burdened At-Risk Seniors & Persons with Disabilities	10%	\$31,297,658.25	11.3%
Eviction Defense/Prevention	10%	\$27,702,334.13	10%
Tenant Outreach & Education	2%	\$5,540,466.83	2%
Protections from Tenant Harassment	3%	\$5,865,860.43	2%
Homelessness Prevention Program - Subtotal	30%	\$70,406,319.63	25.4%
Total	100%	\$301,112,327.50	100%

Table 3. FY 26/27 Expenditure Plan Reflecting True Up

Total Revenue	\$301,112,327.50		
Expenditure Category	ULA Prescribed Allocation	Proposed Expenditure Plan FY 26/27	Percent Allocated FY 26/27
House LA Fund - Administration	8%	\$24,088,986.20	8%
Citizen Oversight Committee	3%	\$722,669.59	3%
Administration - Program Support	97%	\$23,366,316.61	97%
House LA Fund - Programs	92%	\$277,023,341.30	92%
Affordable Housing Program			
Multifamily Affordable Housing	22.5%	\$62,330,251.79	22.5%
Alternative Models for Permanent Affordable Housing	22.5%	\$62,330,251.79	22.5%
Alternative Models: New Construction Program	85%	\$52,980,714.02	
Alternative Models: Preservation Program	15%	\$9,349,537.77	
Acquisition & Rehabilitation of Affordable Housing	10%	\$27,702,334.13	10%
Acq/Rehab: Small NOAH Program	60%	\$16,621,400.48	
Acq/Rehab: Preserving Affordability Program	40%	\$11,080,933.65	
Homeownership Opportunities, Capacity-Building & Operating Assistance	10%	\$27,702,334.13	10%
Homeownership Opportunities Program	40%	\$11,080,933.65	
Capacity-Building Program	10%	\$2,770,233.41	
Operating Assistance Program	50%	\$13,851,167.07	
Program Stabilization Fund	5%	\$15,775,241.95	5.7%
Affordable Housing Program - Subtotal	70%	\$195,840,413.80	70.7%
Homelessness Prevention Program			
Short-term Emergency Assistance	5%	\$11,927,091.78	4.3%
Income Support for Rent-Burdened At-Risk Seniors & Persons with Disabilities	10%	\$27,702,334.13	10%
Eviction Defense/Prevention	10%	\$27,702,334.13	10%
Tenant Outreach & Education	2%	\$5,540,466.83	2%
Protections from Tenant Harassment	3%	\$8,310,700.24	3%
Homelessness Prevention Program - Subtotal	30%	\$81,182,927.10	29.3%
Total	100%	\$301,112,327.10	100%

**ATTACHMENT B: ULA CUMULATIVE AVAILABLE PROPOSED
ALLOCATIONS - FY 23/24 AND FY 24/25 (*as of 6/30/24*)**

Table 1. ULA Total Available Proposed Allocations — FY 23/24 Remaining Balance as of June 30, 2024 and Proposed FY 24/25 Expenditure Plan

Expenditure Category	Balance Remaining FY 23/24	Proposed Expenditure Plan FY 24/25	Total Available Proposed Allocations
House LA Fund - Administration	\$5,887,165.92	\$13,434,361.12	\$19,321,527.04
Citizen Oversight Committee	\$250,968.00	\$403,030.83	\$653,998.83
Administration - Program Support	\$5,636,197.92	\$13,031,330.29	\$18,667,528.21
House LA Fund - Programs	\$104,824,925.00	\$154,495,152.93	\$259,320,077.93
Affordable Housing Program			
Multifamily Affordable Housing	\$56,860,306.00 ¹	\$8,951,103.41	\$65,811,409.41
Alternative Models for Permanent Affordable Housing	\$0.00	\$65,811,409.41	\$65,811,409.41
Acquisition & Rehabilitation of Affordable Housing	\$0.00	\$29,249,515.29	\$29,249,515.29
Homeownership Opportunities, Capacity-Building & Operating Assistance	\$0.00	\$29,249,515.29	\$29,249,515.29
Program Stabilization Fund	\$0.00	\$0.00	\$0.00
Affordable Housing Program - Subtotal	\$56,860,306.00	\$133,261,543.40	\$190,121,849.40
Homelessness Prevention Program			
Short-term Emergency Assistance	\$0.00	\$0.00	\$0.00
Income Support for Rent-Burdened At-Risk Seniors & Persons with Disabilities	\$11,000,000.00	\$14,654,191.17	\$25,654,191.17
Eviction Defense/Prevention	\$22,715,525.00	\$6,249,515.29	\$28,965,040.29
Tenant Outreach & Education	\$3,733,715.00	\$329,903.06	\$4,063,618.06
Protections from Tenant Harassment	\$10,515,379.00	\$0.00	\$10,515,379.00
Homelessness Prevention Program - Subtotal	\$47,964,619.00	\$21,233,609.52	\$69,198,228.52
Total	\$110,712,090.92	\$167,929,514.05	\$278,641,604.97

¹ Award letters have been issued for the Accelerator Plus Program, committing \$55,598,945 of the overall Multifamily Affordable Housing Program funds from FY 23/24. These funds are committed, but have not been spent.

**ATTACHMENT C: QUARTERLY REPORT ON STATUS OF ULA
CONTRACTS AND EXPENDITURES**

City of Los Angeles

Tricia Keane, Interim General Manager

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager



Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.675.7272

housing.lacity.org

October 19, 2024

Council File: 23-0038-S7
Council District: Citywide
Contact Person(s): Greg Good
Cally Hardy

Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

QUARTERLY REPORT ON STATUS OF UNITED TO HOUSE LOS ANGELES (ULA) CONTRACTS AND EXPENDITURES

SUMMARY

This report provides a status update on all contracts and expenditures related to the United to House Los Angeles (ULA) FY 23/24 Expenditure Plan, and associated program metrics. Going forward, the Department will provide quarterly updates on the status of these contracts and expenditures.

BUDGET TO ACTUALS

Table 1 provides detail for the current status of the FY 23/24 approved ULA Expenditure Plan, including the budgeted allocations for the six programs funded by ULA that were approved in FY 23/24, the expenditures under those programs, related administrative costs, and remaining balances.

Table 1. ULA Budget vs. Actuals as of September 30, 2024

Expenditure Categories	ULA Allocation %	ULA Expenditure Plan FY 23/24	Cumulative Expenditures (as of 9/30/24)	Balance
Affordable Housing Programs	70%	\$56,860,306	\$250,000	\$56,610,306
Multifamily Affordable Housing	22.5%	\$56,860,306	\$250,000	\$56,610,306
Alternative Models for Permanent Affordable Housing	22.5%	\$0	\$0	\$0
Acquisition & Rehabilitation of Affordable Housing	10%	\$0	\$0	\$0
Homeownership Opportunities, Capacity Building & Operating Assistance	10%	\$0	\$0	\$0
Program Stabilization Fund	5%	\$0	\$0	\$0

Homelessness Prevention Programs	30%	\$81,139,694	\$33,428,131.52	\$47,711,562.48
Short-term Emergency Assistance	5%	\$30,400,000	\$30,400,000	\$0
Income Support for Rent-Burdened At-Risk Seniors & Persons with Disabilities	10%	\$11,000,000	\$0	\$11,000,000
Eviction Defense/Prevention	10%	\$23,000,000	\$525,279.08	\$22,474,720.92
Tenant Outreach & Education	2%	\$5,520,000	\$1,798,537.66	\$3,721,462.34
Protections from Tenant Harassment	3%	\$11,219,694	\$704,314.78	\$10,515,379.22
ADMINISTRATION	8%	\$12,000,000	\$10,189,101.26	\$1,810,898.74
ULA Administration	97%	\$11,640,000	\$10,020,069.00	\$1,619,931.00
Citizen Oversight Committee	3%	\$360,000	\$169,032.26	\$190,967.74
TOTAL		\$150,000,000	\$43,867,232.78	\$106,132,767.22

CONTRACT STATUS AND MONITORING

Table 2 provides a summary of all LAHD contracts associated with ULA expenditures, and the associated ULA Program(s). Some contracts are funded by multiple funding sources, including grant funding sources; however, the table below shows the contract amount funded by ULA, ULA expenditures, and remaining balance. As indicated in the table, contracts may support administrative tasks, such as systems contracts to develop online application systems, or program activities, such as contracts to provide legal services to tenants through the ULA Eviction Defense Program.

Prior to contract execution, ULA contracts are evaluated by the Department to confirm compliance with the City's contracting requirements set forth in the Los Angeles Administrative Code. Consistent with LAHD policies, ULA contracts receive ongoing monitoring and compliance by Department program staff to assess evidence of completed deliverables, review detailed statements of work completed during the invoicing period, and to ensure appropriate documentation of equipment and supply purchases. ULA funds are not disbursed until the Department has approved the work received and is satisfied with the documentation included in the invoice. Upon contract close-out, the Department provides a detailed evaluation on the contractor's performance to the Bureau of Contract Administration.

Table 2. Status of ULA-Funded Contracts as of September 30, 2024

ULA Category	Contractor	ULA Program(s)	Contract #	Term Start	Term End	ULA Amount	ULA Expenditures	ULA Balance
Admin	Cerida Investment Corp. dba AnswerNet - Call Center Services	Short-Term Emergency Assistance	C-144185	8/1/2023	7/31/2024	\$665,000	\$652,839	\$12,161
Admin	Southern California Housing Rights Center - Program Implementation (Admin)	Short-Term Emergency Assistance	C-144360	8/1/2023	7/31/2025	\$5,152,000	\$4,528,758	\$623,242
Admin	Family Source Centers (Various) - Program Implementation / Application Support	Short-Term Emergency Assistance	Various	7/12/2023	6/30/2024	\$487,500	\$442,431	\$45,069
Admin	Satwic, Inc. - Technology Support	Short-Term Emergency Assistance, Tenant Outreach & Education, Protections from Tenant Harassment	C-139113	7/1/2021	6/30/2024	\$400,000	\$400,000	\$0
Admin	Cask NX LLC - Application Systems Support	Short-Term Emergency Assistance, Tenant Outreach & Education, Protections from Tenant Harassment	C-144176	8/1/2023	7/31/2024	\$1,750,000	\$1,219,936	\$530,064
Admin	Estolano Advisors - Interim Inspector General Services	COC	C-144769	12/18/2023	12/17/2025	\$250,000	\$169,032	\$80,968
Admin	Focus Language International, Inc. - Translation Services	General	C-140985	7/1/2022	6/30/2025	\$36,000	\$18,961	\$17,039
					Subtotal	\$8,740,500	\$7,431,958	\$1,308,542
Homelessness Prevention	Southern California Housing Rights Center - Program Implementation	Short-Term Emergency Assistance	C-144360	8/1/2023	7/31/2025	\$30,400,000	\$30,400,000	\$0
Homelessness Prevention	Legal Aid Foundation of Los Angeles - Eviction Defense, Outreach, and Legal Services	Tenant Outreach & Education, Eviction Defense, Protections from Tenant Harassment	C-138260	4/26/2021	6/30/2025	\$29,658,596	\$525,279	\$29,133,317
Homelessness Prevention	The LA Grants Group dba. LAGRANT Communications - Outreach Campaign Services	Tenant Outreach & Education	C-143116	4/17/2023	4/16/2025	\$2,000,000	\$1,798,538	\$201,462
					Subtotal	\$62,058,596	\$32,723,817	\$29,334,779
					Total	\$70,799,096	\$40,155,774	\$30,643,322

To support ongoing monitoring of program delivery, the Department has identified key performance metrics associated with the ULA Programs that are supported by the contractual services listed in Table 2. These key performance metrics, shown in Table 3, are intended to monitor the outcomes of these ULA Programs on an ongoing basis. Performance metrics were identified based on a need for transparency, accountability, and to track and monitor the impact on Angelenos as described in the ULA measure and ordinance.

As provided by the ULA measure and ordinance, and further described in the proposed ULA Program Guidelines that are currently pending City Council consideration under CF 23-0038-S8, LAHD and the City are required to conduct robust tracking, monitoring, and reporting of additional performance metrics related to ULA Programs, and report to the Citizen Oversight Committee (COC) on an annual basis. LAHD will share those detailed annual reports with the City Council as they become available.

Table 3. ULA Programs Key Performance Metrics, as of September 30, 2024

ULA Program	Key Performance Metric	Progress To-Date
Short-Term Emergency Assistance	Number of households approved for Short-Term Emergency Assistance Program funding	4,302 households
Tenant Outreach and Education	Number of reaches made providing exposure to and awareness of services	469,316,158 reaches
Protections from Tenant Harassment	Number of households assisted with Tenant Anti-Harassment Ordinance (TAHO) Complaints	14,315 households
Eviction Defense and Prevention	Number of clients assisted with Full Scope and Limited Scope Legal Services	14,211 clients