

HOUSING AND HOMELESSNESS COMMITTEE REPORT relative to approving the United to House Los Angeles (ULA) Program Guidelines; and related matters.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the recommendations in the Los Angeles Housing Department (LAHD) transmittal, dated October 8, 2024, attached to the Council file relative to the ULA program guidelines.
2. APPROVE the amendments to the ULA Program Guidelines, as detailed in the CAO report dated September 26, 2024, attached to the Council file.
3. AUTHORIZE the General Manager, LAHD, or designee, to issue a request for proposals to solicit a contracting partner to administer the Capacity-Building Program, in alignment with the scope of services described in the Program Guidelines and for a total contract amount of \$3,224,951.53.
4. INSTRUCT the LAHD to confirm the availability of funding within the House LA Fund, Fund No. 65M with the City Administrative Officer prior to launching any ULA programs.
5. AUTHORIZE the LAHD to make technical corrections to the ULA Program Guidelines as necessary to effectuate the intent of these recommendations.
6. AMEND the Revised Report from the Los Angeles Housing Department, dated October 8, 2024, relative to the proposed ULA Program Guidelines, by striking Recommendations 1(a) through 1(d) and replacing them with the following, respectively:
  - a. Amend page 42 of the Alternative Models for Permanent Affordable Housing: New Construction Program Guidelines, to read as follows: Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government-sponsored entity loan programs, LAHD, shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in regulatory documents, so that the project as underwritten at closing is financially feasible and compatible with such program requirements
  - b. Amend page 61 of the Alternative Models for Permanent Affordable Housing: Preservation Program Guidelines, to read as follows: Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government-sponsored entity loan programs, LAHD shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in regulatory documents, so that the project as underwritten at closing is financially feasible and compatible with such program requirements.
  - c. Amend page 93 of the Acquisition and Rehabilitation of Affordable Housing: Small NOAH Program Guidelines, to read as follows: Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government-sponsored entity loan programs, LAHD shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in regulatory documents, so that the project as underwritten at closing is financially feasible

and compatible with such program requirements.

- d. Amend page 109 of the Acquisition and Rehabilitation of Affordable Housing: Preserving Affordability Program Guidelines, to read as follows: Term of Affordability Covenant: The term of the affordability restrictions in the Regulatory Agreement shall be in perpetuity (or such shorter period of time as may be required by applicable law); provided, however, that for projects qualifying for LIHTC, tax-exempt bonds, or federal or state government-sponsored entity loan programs, LAHD shall, based on a Department finding of extraordinary need, have flexibility to structure the terms in its loan documents and/or covenants or restrictions in regulatory documents, so that the project as underwritten at closing is financially feasible and compatible with such program requirements
7. AMEND the Revised Report from the Los Angeles Housing Department, dated October 8, 2024, attached to the Council file, relative to the proposed ULA Program Guidelines to add the following recommendation:
    - a. Instruct LAHD to report back within 90 days to City Council on a comprehensive staffing plan for LAHD staff to be funded by ULA, and report on staffing plan for ULA contracted administrators and vendors prior to execution of contracts.
  8. INSTRUCT the LAHD to develop an Affirmative Marketing Policy and Plan for approval by the Council prior to ULA housing production program implementation for projects using ULA funds to ensure access to permanent affordable housing for vulnerable populations and in compliance with legal obligations.
  9. INSTRUCT the LAHD and REQUEST the City Attorney to report to Council with recommendations related to Los Angeles Municipal Code Section 21.9.16 Additional Exemptions - City Council Approval, to exempt qualified affordable housing organizations selling property from the Homelessness and Housing Solutions Tax if they are using proceeds from the sale, which exceeds the taxed amount, specifically to build affordable housing.
  10. Instruct the LAHD to report to Council on the geographical distribution of recipients of the Eviction Defense Program and provide recommendations on how to improve accessibility to the program by better accommodating clients and their special needs through physical close proximity of service providers.
  11. AMEND Section 2.2 under the "New Construction Program Guidelines" on page 39 to read: "New Construction of multifamily rental or ownership housing **including ADUs**; or".
  12. AMEND Section 3.3 under "Section 3.3 Funding Priorities of the Short-Term Emergency Assistance Program Guidelines" on page 175 to read: "The COC may in its discretion recommend additional factor(s) consistent with findings from periodic Needs Assessments required per LAAC section 22.618.6(c)(2) and program reporting, in order to better align the program guidelines with areas of identified high need and better achieve the goals of ULA, as provided in Los Angeles Administrative Code Section 22.618.6(c)(10). **Such discretion includes, without limitation, input from Council and the Los Angeles Housing Department.**"
  13. Amend the following program guideline sections to add "**Relocation and related expenses**" to the list of eligible project costs:
    - a. ULA Multifamily Affordable Housing Program Guidelines, Section 2.3 Eligible Activities.
    - b. ULA Alternative Models for Permanent Affordable Housing: New Construction Program Guidelines, Section 2.3 Eligible Activities.

- c. ULA Alternative Models for Permanent Affordable Housing: Preservation Program Guidelines, Section 1.5 Eligible Activities.
  - d. ULA Acquisition and Rehabilitation of Affordable Housing: Small NOAH Program Guidelines, Section 2.3 Eligible Activities.
  - e. ULA Acquisition and Rehabilitation of Affordable Housing: Preserving Affordability, Section 2.3 Eligible Activities.
14. Amend the ULA Acquisition and Rehabilitation of Affordable Housing: Small NOAH Program Guidelines, Section 2.2 Eligible Projects, Project Size, to read as follows: "Small NOAH projects must be between three (3) and twenty (20) units, inclusive of any units that will be added using Program funding. The unit count maximum may be adjusted upward ~~in the NOFA~~ **through a revision to these Small NOAH Program Guidelines** as revenue for the program grows over time, and/or key opportunities are identified that meet House LA goals."
15. Amend the ULA Income Support Program Guidelines, Section 3.1 Scope of Services, Benefits Counseling, as follows: "Counseling shall be accessible to every program participant; **full language access and** reasonable accommodations shall be provided via appropriate interpretation, modification and/or facilitation of these services to ensure equal access. **This service may use ULA funds or new or existing alternative sources.**"

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the recommendations in the report will be funded by revenues collected from Measure United to House LA (Measure ULA). In the event Measure ULA is invalidated, the City's General Fund may be obligated to cover any spent funds.

Financial Policies Statement: The CAO reports that recommendations in the report are in compliance with the City's Financial Policies in that the financial obligations detailed in this report comply with the mandates of the United to House LA Fund.

Community Impact Statement: None submitted

## SUMMARY

At the meeting held on November 6, 2024, your Housing and Homelessness Committee considered LAHD reports and CAO a report relative to approving the ULA Program Guidelines and related matters.

After an opportunity for public comment was held, the Committee moved to approve the recommendations, as amended, as stated above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

## HOUSING AND HOMELESSNESS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	YES
BLUMENFIELD:	YES
PADILLA:	YES
DE LEÓN:	ABSENT
RODRIGUEZ:	YES