

MOTION

The financing of affordable and supportive housing projects – which can take upward of several years, entails multiple funders, and requires approvals from numerous public agencies with differing requirements – remains one of the most challenging barriers hindering the effort to bring more Angelenos indoors. Among these myriad complexities is the issue of Project Based Vouchers (PBVs).

As part of the Housing Choice Voucher (HCV) program, formerly known as Section 8, administered by the United States Department of Housing and Urban Development (HUD), Public Housing Authorities (PHAs) are allotted a set number of vouchers. These vouchers can take two forms - Tenant Based Vouchers (TBVs), which are allocated to individuals and provide a rental subsidy for market-rate rental units, and Project Based Vouchers, in which the rental subsidy is tied to a specific unit in a supportive housing project, as a means to ensure stable cash flow for the building.

Due to HUD restrictions, only 20% of a PHA's voucher allocation can be project-based, though a PHA can utilize an additional 10% of vouchers as project-based. With ongoing tenant discrimination and a tight regional rental market limiting the utilization of TBVs, this cap has contributed to limiting the overall effectiveness of the HCV program in Los Angeles.

The City also faces a potential crisis stemming from the limitation of PBVs to provide rental subsidy support to a burgeoning PSH pipeline that has been fueled by Proposition HHH, No Place Like Home, and Measure H. Recent estimates from the Mayor's Office indicate that the City is facing a 1,600 PBV deficit for projects currently planned.

The failure to quickly resolve this crisis will ultimately delay vital housing projects from coming online when we need them most, reduce the near-term development of permanent supportive housing in the City, and functionally pit agencies and entities against each other that should be working jointly to combat the crises of homelessness and housing affordability.

I THEREFORE MOVE that the City Council direct the Los Angeles Housing Department (LAHD) report back within 90 days on the projects in the City's affordable and supportive housing pipelines in need of Project Based Vouchers (PBVs), anticipated timelines in which the projects will be awarded PBVs, what the potential impacts of delayed awards will have on the project openings, the anticipated volume of PBVs that will be available in the next 3 years given the length of time required for developers to assemble their financing, and whether modifications to either the unit mix in projects or the overall Affordable Housing Managed Pipeline (AHMP) programmatic guidelines can help facilitate the prompt delivery of projects;

I FURTHER MOVE that the City Council direct LAHD to report back within 90 days on recommendations to utilize a portion or all of the allowable 10% set-aside within Measure ULA for operating subsidies to offset the PBV shortfall, and the anticipated impact of the funding should the measure survive legal challenge;


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I FURTHER MOVE that the City Council direct the Chief Legislative Analyst (CLA) to prepare a resolution affirming the City's support for increasing the federal cap on PBV utilization to 50% of Housing Choice Vouchers (HCV's) allocated to a given jurisdiction.

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PRESENTED BY:


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SECONDED BY:

