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AFFORDABLE HOUSING COMMISSION 2018 ANNUAL REPORT

BACKGROUND

The Affordable Housing Commission (AHC) consists of a seven-member advisory board responsible for reviewing, responding to and providing recommendations on the City’s housing policies and affordable housing goals. The AHC and the Los Angeles Housing Department (LAHD), now the Housing + Community Investment Department (HCIDLA), was established on March 7, 1990 as a result of recommendations of the Mayor’s Blue Ribbon Committee for Affordable Housing. This Blue Ribbon Committee challenged city leaders to address the growing housing shortage. The City of Los Angeles Charter and Administrative Code was amended to establish the Affordable Housing Commission (*Article 4, Chapter 24, Section 22.607 – 22.613*). (See attached)

This annual report provides a brief overview of the Commission’s work during this past year including strategic focus areas identified by the board. The report is an illustration of the role and capacity of the Commission to serve as an advisory body and resource to engage with the city in fulfilling its housing goals. The report was prepared by the Commission President, with input from the members of the AHC and HCIDLA staff.

INTRODUCTION

The affordable housing debate remains at the core of public discourse and often involves on-going discussions, strategies and collaborative models that advance affordable housing policy, affordable housing preservation, and the general production of affordable housing stock throughout the city. Recent bond programs such as the Managed Pipeline, the Proposition HHH Permanent Supportive Housing (PSH) Program, Recapitalization Projects, Transit Oriented Developments and Linkage Fee funding has provided city leaders, and elected officials with an opportunity to fund and prioritize affordable housing and create a streamlined process for the acquisition of land, rehabilitation of existing housing - including city structures - and to identify a local source of funding for affordable housing development projects. With the guidance and leadership of the Mayor, City Council and the Housing + Community Investment Department, the Affordable Housing Commission (AHC) can serve as a resource to advance the City’s affordable housing goals.

DEFINING AFFORDABLE HOUSING

There are myriad methods to define affordable housing. The federal the Housing & Urban Development Department (HUD) defines affordable housing as housing in which an occupant pays no more than 30% of their income, are considered cost burdened, and may have difficulty affording necessities such as food, clothing, transportation and medical care. The City of Los Angeles and HCIDLA have adopted HUD's definition of affordable housing and uses their definition to determine eligibility for affordable housing programs and services offered by the City.

It has been stated that for the City of Los Angeles to keep up with population growth and pent-up demand for housing, including affordable housing, would require that at least 3.5 million new dwellings be built by the year 2025. Currently, the average rent for a two-bedroom apartment in Los Angeles is \$2,556 per month and requires an annual income of \$109, 543. In Los Angeles 58% of renters spend more than 30% of their income on housing; nearly one-third spend more than 50% of their income on housing.

HISTORY OF AFFORDABLE HOUSING IN THE CITY OF LOS ANGELES

During the 1980's the City of Los Angeles experienced a severe housing crisis with 40,000 families doubling up and living in illegal units throughout the city and 25% of renters at that time were paying more than half of their incomes for housing. The median home price during that time was \$ 191,166, as reported by the Mayor's Blue Ribbon Committee. An estimated \$59,297 in annual income was required to support that particular purchase. Average rents increased 110 percent over an eight year period from \$525 per month in 1988 to \$900 per month in 1996. At that time, the Washington Post reported that, "Over 20 percent of Los Angeles residents are severely rent-burdened and could be forced to leave their homes if faced with job loss or a major medical expense."

To deal with the growing demand for housing and increasing community concerns over displacement, the Mayor's Blue-Ribbon Committee on Affordable Housing was established. The committee's formal recommendations included a comprehensive affordable housing strategy that would utilize and update housing policies. An Action Plan was created that focused on preserving current housing stock, and establishing earthquake-proofing programs for that housing stock. The Blue Ribbon Committee's formal recommendations were adopted by the Mayor and City Council. With the adoption a new city housing department was created to focus on implementation of the action plan and the growing shortage of affordable housing. Simultaneously, the seven-member commission charged with overseeing the newly formed department was approved.

CITY OF LOS ANGELES AFFORDABLE HOUSING COMMISSION

The Affordable Housing Commission (AHC) continues to serve in an important advisory role to advocate, advise, review, respond, and recommend strategies that the city can utilize to advance its affordable housing priorities. The Commission meets once a month to carry out the

goals and objectives outlined in its strategic plan. The Commission updates its work every three years to ensure alignment with the City's housing priorities and to carry out the implementation of its strategic plan which serves as a roadmap for the Commission's work.

Strategic Focus Areas

As part of the Commission's strategic plan, the AHC consolidated its duties, as outlined in the City Charter, into three specific focus areas. The three strategic areas or 3P's allow the AHC to align their collective vision with the city's affordable housing goals and priorities.

The 3P's are outlined as follows:

- **Policy**: advocate and advise on making Los Angeles a more livable place for all residents while maintaining clear and transparent procedures that are innovative and forward thinking; research successful affordable housing implementation strategies; review current federal, state, and local government affordable housing policies; recommend affordable housing integration strategies; review citywide housing needs; and provide recommendations to city leadership;
- **Production**: provide feedback and recommendations on ways that the Housing + Community Investment Department, Building & Safety and the Department of City Planning can meet the threshold outlined in the Mayor's Executive Directive 13, which requires 100,00 new housing units by 2021; and ensuring that 15,000 are affordable housing units for low to-moderate-income (LMI) renters; and,
- **Preservation**: advise on and support programs that help or assist with preserving decent, safe and affordable housing in the City of Los Angeles. Focus on changing existing laws that would provide further protections for low income tenants during challenging times.

SNAPSHOT of the Affordable Housing Commissions (AHC) work, achievements and partnerships during the past year.

A. Ellis Act & Costa Hawkins

During the past year the Affordable Housing Commission Board of Commissioners prioritized aligning their strategic plan with the Housing + Community Investment Departments affordable housing goals. The commission reached out to the HCIDLA's management team, including its Public Policy & Research Division and Mayor's Office of Housing Policy to coordinate a series of presentations on the work that was underway in relation to the City's housing plan. The presentations were informative, collaborative and productive as the Commission gained more familiarity with the HCIDLA and its vision for affordable housing, including understanding and learning more about the affordable housing process and the multiple phases of affordable housing development. The Commissioners gained a deeper understanding of the

affordable housing funding process, bond programs, land development and acquisition, and the managed pipeline process.

As a result, Commissioners have been able to broaden their understanding of the combination of resources and guidelines required to fund affordable housing development projects. The Commissioners have prioritized the Ellis Act and Costa-Hawkins as two key policies that have the greatest potential to affect low-to-moderate income (LMI) and extremely-low income (ELI) renters and have taken a position by drafting an Affordable Housing Preservation Memo. The Affordable Housing Preservation Memo called on city leaders to preserve the current housing stock of low cost apartments by providing protections for low income tenants through extending the exemption date under the Costa-Hawkins Rent Control Law. This extension could help prevent widespread displacement and evictions and misuse of the law by landlords.

B. LADWP Community Shared Solar Program (SSP)

This past spring, after a presentation before the Commission by a member of the Board of Water and Power and their staff, the Commission drafted a letter of support to the Los Angeles Water Departments (LADWP), for their Community Shared Solar Program (SSP). The program recommends expansion of solar equity programs, job training, workforce development opportunities and geographic distribution of solar energy to include low to-moderate income communities throughout the City of Los Angeles. The commission's work with the LADWP has resulted in two key accomplishments, 1.) Formal adoption of the Affordable Housing Commission's Shared Solar Program (SSP) recommendations and 2.) Formation of an Ad hoc committee on sustainable energy as it relates to workforce development in the city and expansion of solar power to low-income renters.

The past year has proven to be a momentous one as the Affordable Housing Commission continues to re-brand market and promote its work throughout the city. The following snapshot provides a glance of the past year of presentations and accomplishments set forth by the commission:

C. 2018 YEAR IN REVIEW

- Drafted the AHC's first ever Strategic Plan;
- Provided policy recommendations to the Housing + Community Investment Department (HCIDLA) on the Ellis Act that proposed extending the one-year notification requirement to ALL tenants;
- Provided policy recommendations to the Housing + Community Investment Department (HCIDLA) on the Ellis Act that proposed amending the law to require new owners to wait fifty-years before removing rental units from the market;

- Provided policy recommendations on Costa-Hawkins that proposed moving the exemption date under Costa-Hawkins to the year 1995 along with having periodic reassessment;
- Co-Hosted a community meeting on affordable housing with the HCIDLA's Consolidated Planning Division;
- Increased public participation in meetings through its community engagement strategy;
- Coordinated monthly presentations on the Affordable Housing Linkage Fee (AHLF), Linkage Fee Stakeholder Engagement Process, Linkage Fee Oversight Committee, ADA Settlement, Overview of the Housing Development Bureau, Cap and Trade, Measure HHH, Rent Stabilization Ordinance (RSO),
- Hosted a presentation from the Economic and Workforce Development Departments (EWDD), to learn more about Workforce Development efforts throughout the city as it relates to Section 3 Local Hire, Project Labor Agreements, Youth Source and Work Source Centers;
- Provided a letter of support to the Los Angeles Department of Water & Powers (LADWP) Board of Directors in support of the Community Shared Solar Program (SSP). Letter was adopted by full support from the LADWP Board; provided recommendations to the LADWP's Community Shared Solar Program (SSP) team on equitable ways to distribute solar energy & solar technology to low-income and disenfranchised communities; served as a technical advisor to the LADWP's Shared Solar Program by providing input on new customers lease agreements;
- Hosted Dean Michael Woo, City Councilmember Emeritus presentation on the housing crisis, transit hubs and participatory democracy;
- Published Annual Affordable Housing Commission Report

D. AFFORDABLE HOUSING COMMISSION 2018 SPEAKERS & PRESENTATIONS

- Linkage Fee Ordinance Policy– Claudia Monterrosa , HCIDLA, Director Public Policy & Research

- Consolidated Plan Public Hearings and Online Needs Assessment Survey- Angela Peavy, HCIDLA, Senior Management Analyst I, Consolidated Planning Division
- Regulatory Compliance & Code Enforcement Bureau, Valerie Netteles, HCIDLA
- LADWP Solar Program Presentation- Commissioner Aura Vasquez, Susana Reyes, Affordable Housing Director
- Housing Development Bureau – Tim Elliot, Douglas Swoger
- Southern California Association of Non-Profit Housing (SCANPH), Michael Menjivar, Public Policy Organizer
- Christopher French, Hollywood Community Housing Corporation (HCHC)
- Korean Youth Community Center (KYCC), Steve Kang, Executive Director of Affordable Housing Development Projects
- Jo-Anne Cohen, LA Family Housing
- Economic and Workforce Development Department (EWDD), Donny Brooks, Workforce Development & Section 3, Local Hire
- Council-member Emeritus, Michael Woo, Dean, College of Environmental Design, California State Polytechnic University, Pomona.

2019 SNAPSHOT of the Affordable Housing Commissions (AHC) work, achievements and partnerships during the past year.

LADWP

Local Hire & Project Labor Agreements

GRID Alternatives

UCLA Luskin Center

LAHSA Report on Homelessness

Bridge Housing Corporation

Department of Public Works

SCANPH

Attachments:

1. Article 4, Chapter 24, Section 22.607 – 22.613 – Establishing the Affordable Housing Commission
2. Strategic Focus Areas, Policy, Production, Preservation & Community Engagement
- 3.