



Eric Garcetti, Mayor
Ann Sewill, General Manager

Office of the General Manager

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April 21, 2021

Honorable Members of the City Council Budget & Finance Committee
c/o Holly L. Wolcott, City Clerk
200 North Spring Street, Room 395
Los Angeles, California 90012

RE: HOUSING + COMMUNITY INVESTMENT DEPARTMENT COMMENTS ON THE FISCAL YEAR 2021-2022 PROPOSED BUDGET

The Housing + Community Investment Department (HCIDLA) appreciates the Mayor's Fiscal Year 2021-2022 Proposed Budget for the Department. The Proposed Budget provides HCIDLA with staffing and related resources needed to continue our current level of services and implement our mission of increasing the affordable housing supply, ending homelessness, and ensuring all Angelenos have safe, healthy, and accessible housing.

Over the past year, we as a City and a Department have faced challenges that have tested our resiliency and changes that have required us to redouble our efforts to deliver critical services more efficiently. And we have taken on more responsibility with fewer resources. HCIDLA played a crucial role in delivering COVID-19 related relief programs to City residents, distributing 37,841 "Angeleno Cards" that provided \$700-\$1,500 per household, for a total of \$36.7 million in financial support to struggling Angelenos. HCIDLA distributed more than \$98 million in Emergency Rental Assistance direct subsidies to help approximately 50,000 low-income households pay their rent, and we are in the process of distributing another \$235.5 million in rental subsidies that will help tens of thousands more low-income households stay housed.

We also delivered on the promise of Proposition HHH, with the HHH program on track to deliver 2,140 affordable housing units by the end of FY 2021-2022 and more than 7,900 units in the HHH pipeline. Additionally, the Accessible Housing Program significantly increased policy compliance among housing developments covered by the City's settlement and compliance agreements. Covered Housing Development compliance rose from 25 percent on July 1, 2020, to 80 percent as of April 2021, more than tripling the certified compliance rate.

The Proposed Budget allows the Department to continue serving Angelenos in key, critical ways, including by committing resources to increase our housing supply. Addressing housing insecurity and ending homelessness require that the City commit significant resources to producing and preserving affordable and supportive housing. Our Regional Housing Needs Assessment goals call for the production of 23,000 units for very low-income households each year for the next eight years, which is 184,000 units in total. That is just part of the overall housing need the City continues to face. Therefore, we appreciate the \$382 million in the Proposed Budget, which includes \$362 million to construct the pipeline in the HHH program and \$20 million from the American Rescue Plan that will support additional housing production and acquisition. We note that the City of New York, at twice



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the size of the City of Los Angeles, spends \$1 billion each year on housing production and preservation. In comparison, in a typical year, we would spend \$100 million of voter-approved HHH funds and \$50 million of local and federal funds. While the Proposed Budget represents a commitment to housing production and preservation for FY 2021-2022, it is a commitment we must continue and increase in years to come.

We are also excited to see the \$99 million of HOME-American Rescue Plan resources allocated to build homes for those experiencing or at risk of homelessness, provide eviction defense services, and increase production of affordable housing. To reduce administrative barriers to deploying those funds quickly, we request that funds be placed in the Housing Department budget, upon receipt.

HCIDLA has embraced the challenges we have all faced as opportunities, and we will continue to welcome the opportunity to serve Angelenos as the Los Angeles Housing Department. The creation of a new Community Investment for Families Department (CIFD) along with the Housing Department will allow the City to focus appropriate attention on building strong communities and families while providing affordable and supportive housing and ending homelessness. We appreciate the careful attention the Proposed Budget pays to allocating staffing and funding resources for the Housing Department and the new CIFD. To ensure a smooth transition between the two departments, we request that the positions for the new CIFD be allocated and authorized to be filled effective July 1, 2021, provided that CIFD remains within the resources allocated in the Proposed Budget for staffing.

We are also pleased to see that the programs to address homelessness, including the funding of the Los Angeles Homeless Services Authority, remain with the Housing Department, as we requested. Homelessness and housing insecurity are intricately connected, and the solutions should be integrated within one department. As the City receives additional state and federal resources to expand our efforts to end homelessness, and in light of ongoing litigation, we understand that we may be called upon to expand our role in implementing these solutions. Therefore, we anticipate the Housing Department's need for additional staffing, including an Assistant General Manager to direct our work on homelessness policies and programs, along with a Senior Management Analyst II and Management Analyst to augment our existing team. These positions will enable the Housing Department to implement the City's commitment to ending homelessness and support the City's most vulnerable residents.

We would like to express again our appreciation for a Proposed Budget that enables us to address some of the most critical issues our City is facing. We respectfully request that the City Council Budget and Finance Committee consider our requests, which we believe will better enable us to serve the people of Los Angeles.

Sincerely,

A handwritten signature in black ink that reads "Ann Sewill".

Ann Sewill
General Manager