

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: June 4, 2021

TO: Honorable Members of the Rules, Elections & Intergovernmental Relations Committee

FROM: Sharon M. Tso *Avak Keotahian - rg For* Council File No: 21-0002-S126
Chief Legislative Analyst Assignment No: 21-05-0419

SUBJECT: Resolution (Ridley-Thomas, Raman, Cedillo – Koretz) to support legislation that would provide an increase in rental assistance resources

CLA RECOMMENDATION: Adopt the attached Resolution (Ridley-Thomas, Raman, Cedillo – Koretz) to include in the City’s 2021-2022 Federal Legislative Program, SUPPORT and/or SPONSORSHIP of any legislation or administrative action that would provide a significant increase in rental assistance resources, including the allocation of more project-based vouchers, which are necessary to sustainably address the homelessness crisis and ensure there is an equitable allocation of long-term affordable housing across Los Angeles.

SUMMARY

Resolution (Ridley-Thomas, Raman, Cedillo – Koretz), introduced May 19, 2021, advises that according to the 2020 Point-In-Time Count, there are approximately 41,000 persons experiencing homelessness in the City of Los Angeles on any given night. Governor Newsom recently proposed to advance unprecedented capital resources to fund the Project Homekey Program. The City of Los Angeles has dedicated significant resources toward supporting the development of affordable and supportive housing and anticipates partnering with the State to scale up efforts such as Project Homekey, but there is a need to identify funding to operate these sites.

The Resolution further advises that rental housing subsidies administered through the United States Department of Housing and Urban Development are typically available to assist one out of four eligible residents, but in Los Angeles, vouchers are sufficient to assist only one out of every eight residents. It is critical that the federal government match the commitment of the City and the State with a significantly increased contribution of rental assistance resources to operate the City’s much-needed supportive housing units.

The Resolution recommends that the City support any legislation or administrative action that would provide a significant increase in rental assistance resources, including the allocation of more project based vouchers, which are necessary to sustainably address the homelessness crisis and ensure there is an equitable allocation of long-term affordable housing across Los Angeles.

BACKGROUND

The housing and affordability crisis in California has had a critical impact on the economic well-being of many low income residents in the State. In Los Angeles, 862,062 renting households are rent-burdened, paying more than 30 percent of their income toward rental payments. 216,366 of those households are “extremely low income” households. The financial strain limits disposable income for personal necessities and emergency expenses, placing many families at constant risk of homelessness. The outbreak of the COVID-19 pandemic exacerbated this situation, resulting in lost employment for many families and an inability to pay for personal necessities as well as rental payments. The public health crisis caused by the pandemic created an urgent need to keep people housed. The City of Los Angeles responded to the emergency by implementing housing measures such as an eviction moratorium and the Emergency Rental Assistance Program. Several initiatives to mitigate the wider effects of the pandemic were also enacted by the City, including a workers’ retention ordinance, Slow Streets Program, the Al Fresco Program, and food insecurity programs.

In order to address the need for non-congregate shelter, the State initiated the Project Roomkey program, in cooperation with local jurisdictions, to lease hotel rooms as shelter for populations vulnerable to the COVID-19 pandemic, namely the unsheltered population. The program was funded through a combination of local, county, State, and federal dollars. Thousands of hotel or motel rooms were leased in California through Project Roomkey, resulting in fewer COVID-19 infections and increased accessibility to supportive services for the unsheltered population.

In order to address the temporary nature of the Project Roomkey Program, the State of California established the Project Homekey Program in July 2020. Project Homekey provided State funds to acquire, rehabilitate, and operate hotels and/or motels for conversion to supportive housing. The program expanded the amount of interim shelter immediately available and increased the stock of permanent supportive housing long term. Within six months of program implementation, 6,029 new units were made available Statewide. In addition, the units were provided at a significantly lower cost per unit than the cost to produce an average affordable housing unit.

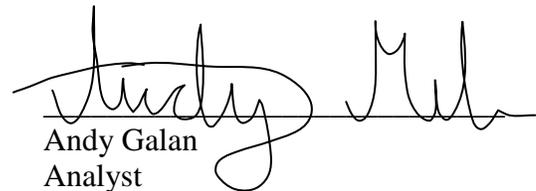
The State of California and the City of Los Angeles have mobilized available resources to address the need for housing during the pandemic and to continue to do so after the pandemic. The substantial increase in supportive housing has necessitated a need for further assistance to maintain the level of housing and services needed to match the housing and homelessness crisis. The federal Department of Housing and Urban Development (HUD) provides funding for a range of housing programs, including rental assistance vouchers. The Housing Choice Voucher (HCV) Program, formerly known as Section 8, provides individuals with rental assistance vouchers for use in the private market. HUD provides funding for vouchers to the Housing Authority of the City of Los Angeles (HACLA), the Public Housing Agency (PHA) for the City of Los Angeles. Up to 20 percent of authorized vouchers for the HCV Program may be utilized by a PHA for project-based vouchers (PBV), an additional 10 percent may be used for PBV in certain cases. As opposed to tenant-based vouchers, PBVs are attached to housing units and secure affordability for those units.

The City of Los Angeles, in partnership with HACLA, has approved and funded eighteen sites through the Project Homekey Program. The City has also committed to providing operating funds for the Project Homekey sites for a maximum of five years. An increase to HACLA's HCV voucher allocation would allow for additional PBVs to be utilized for Project Homekey sites. The Housing and Community Investment Department advises that an increase to the cap of PBV vouchers and adjustments to administrative fees for PBVs are needed to address housing needs. Vouchers could further supplement funding and allow available funds to be used for additional acquisition, rehabilitation, or operating costs.

Support for legislation or administrative action to provide a significant increase in federal rental assistance resources would be consistent with past City efforts to provide shelter to the unhoused population, expand the City's stock of supportive housing, and mobilize underutilized property as housing.

DEPARTMENTS NOTIFIED

Housing and Community Investment Department
Housing Authority of the City of Los Angeles



Andy Galan
Analyst

Attachments: 1. Resolution (Ridley-Thomas, Raman, Cedillo – Koretz)

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, according to the 2020 Point-In-Time Count, there are approximately 41,000 people experiencing homelessness in the City of Los Angeles on any given night and approximately 151,000 homeless individuals in California; and

WHEREAS, Governor Newsom recently proposed to advance unprecedented capital resources into funding supportive housing through the Project Homekey Program (Program) in the State; and

WHEREAS, the City has dedicated significant resources towards supporting the development of affordable and supportive housing, including purchasing and converting hotels and motels through the Program, and anticipates partnering with the State to further scale up these efforts, but there is still a great need to identify funding to operate these units; and

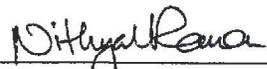
WHEREAS, rental housing subsidies administered through the U.S. Department of Housing and Urban Development nationally are able to aid one out of four eligible residents, but in Los Angeles, there are only sufficient vouchers to allow one out of every eight eligible residents to receive assistance;

WHEREAS, it is critical that the Federal Government match the commitment of the City and the State with a significantly increased amount of rental assistance resources, whether through the newly proposed Infrastructure Plan or other federal efforts, to operate the City's much-needed new supportive housing units;

NOW, THEREFORE, BE IT RESOLVED, with concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby prioritize in its 2021-22 Federal Legislative Program SUPPORT and/or SPONSORSHIP of any legislation or administrative action that would provide a significant increase in rental assistance resources, including the allocation of more project based vouchers, which are necessary to sustainably address the homelessness crisis and ensure there is an equitable allocation of long-term affordable housing across Los Angeles.

PRESENTED BY:


MARK RIDLEY-THOMAS
Councilmember, 10th District


NITHYA RAMAN
Councilmember, 4th District


GIL CEDILLO
Councilmember, 1st District

SECONDED BY:


PAUL KORETZ
Councilmember, 5th District

