

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: August 14, 2023

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

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No. 23-0002-S76
Assignment No. 23-08-0417

SUBJECT: Resolution (Hutt – Harris-Dawson) to support H.R. 4233, the Housing Crisis Response Act of 2023, which would provide \$150 billion in affordable housing investments nationwide.

CLA RECOMMENDATION: Adopt the attached Resolution (Hutt – Harris-Dawson) to include in the 2023-2024 Federal Legislative Program SUPPORT for H.R. 4233, the Housing Crisis Response Act of 2023, which would provide \$150 billion in affordable housing investments nationwide.

SUMMARY

Resolution (Hutt – Harris-Dawson), introduced August 1, 2023, states that renters in the United States now pay more than 30 percent of their income in rent. The cost of single-family homes has skyrocketed by 40 percent over the last three years. The Resolution states that the Los Angeles region continues to face an epidemic of homelessness and a growing housing shortage. The Resolution reports that, according to the 2022 Los Angeles County Housing Needs Report conducted by the California Housing Partnership, there is a shortfall of nearly 500,000 affordable units in the County for the lowest-income renters. The Resolution notes that Congresswoman Maxine Waters recently introduced H.R. 4233, the Housing Crisis Response Act, which would provide \$150 billion in fair and affordable housing investments to create nearly 1.4 million affordable and accessible homes nationwide. The Resolution further notes that the legislation would provide funding for Housing Choice Vouchers and project-based rental assistance; repairing, preserving, and upgrading the nation's public housing; and increasing and preserving the supply of affordable and accessible housing. The Resolution states that the legislation would also help address the racial wealth gap through the first-ever national investment in homeownership for first-time, first-generation homebuyers.

The Resolution therefore recommends the City's support for H.R. 4233, the Housing Crisis Response Act of 2023, which would provide \$150 billion in affordable housing investments nationwide.

BACKGROUND

Households with extremely low incomes (ELI), defined as incomes at or below either the federal poverty guideline or 30 percent of the area median income, account for one quarter, or 11 million, of the nation's 44.1 million renters. According to the National Low Income Housing

Coalition, there is a shortage of more than 7 million affordable homes for ELI households across the country. Approximately 70 percent of these households are severely cost-burdened, paying more than half their income on rent. The lack of housing options for ELI renters is a key driver of the overall affordable housing shortage. The situation is further complicated by the COVID-19 pandemic, during which the shortage of affordable housing units increased by eight percent. These shortages are known to disproportionately affect households from communities of color.

According to the National Low Income Housing Coalition's annual "Out of Reach" report, there is no county in the nation where a renter working full-time at minimum wage can afford a two-bedroom apartment. Los Angeles County, with a population of nearly 10 million, is facing an affordable housing shortage estimated at 500,000 units by the Los Angeles County Chief Executive Office. At current production rates, just 25,000 of these units would be created within the County in the next eight years. A shortfall in affordable housing leads to increased homelessness. According to the 2023 Greater Los Angeles Homeless Count, there are over 75,000 people experiencing homelessness in the County of Los Angeles, including over 46,000 people in the City of Los Angeles alone.

H.R. 4233 addresses these findings by providing over \$150 billion in funding across several programs to address the affordable housing crisis. Among these, the bill will provide funding for:

- Tenant- and project-based rental assistance;
- Rehabilitation and creation of public housing;
- Creation and preservation of affordable housing for low-income people;
- Improvement of equitable planning and development processes;
- Expansion of homeownership opportunities, including down payment assistance for first-generation homeowners.

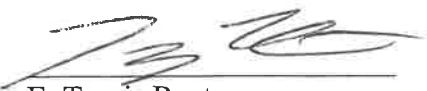
Support for H.R. 4233 would be consistent with City efforts to address the ongoing housing and homelessness crisis at a City, County, State, and Federal level by creating a variety of funding opportunities for affordable housing.

DEPARTMENTS NOTIFIED

Los Angeles Housing Department

BILL STATUS

06/21/23 - Introduced and referred to Comm. on Appropriations and Comm. on Financial Services



E. Travis Rust
Analyst

Attachments: Resolution (Hutt – Harris-Dawson)

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; and

WHEREAS, renters in the United States now pay more than 30 percent of their income in rent according to the New York Times and the cost of single-family homes has skyrocketed by 40 percent over the last three years; and

WHEREAS, the Los Angeles region continues to face an epidemic of homelessness and a growing housing shortage; and

WHEREAS, the 2022 Los Angeles County Housing Needs Report conducted by the California Housing Partnership indicates that there is a shortfall of nearly 500,000 affordable units in LA County for the lowest-income renters; and

WHEREAS, the City continues to support policies that promote the construction of affordable housing units and invests heavily in creating access to affordable housing for all Angelenos; and


WHEREAS, Congresswoman Maxine Waters recently introduced the Housing Crisis Response Act (H.R. 4233), which would provide \$150 billion in fair and affordable housing investments to create nearly 1.4 million affordable and accessible homes nationwide; and


WHEREAS, the legislation would provide funding for Housing Choice Vouchers and project-based rental assistance; \$65 billion for repairing, preserving, and upgrading the nation's public housing; and significant funding to increase and preserve the supply of affordable and accessible housing; and

WHEREAS, the legislation would also help address the racial wealth gap through the first-ever national investment in homeownership for first-time, first-generation homebuyers;

NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2023-2024 Federal Legislative Program SUPPORT for H.R. 4233, the Housing Crisis Response Act of 2023, which would provide \$150 billion in fair and affordable housing investments across the country.

PRESENTED BY


HEATHER HUTT
Councilmember, 10th District


MARQUEECE HARRIS-DAWSON
Councilmember, 8th District



ORIGINAL


AUG 01 2023