Homelessness Reduction and Prevention, Housing, and Facilities Bond
Question & Answer

Question 1: How many units of housing would be produced using the proposed bond funds?

Answer 1: The conservative estimate on the number of supportive units that the City can finance with the Bond Program is 8,000 to 10,000 units, depending on the leveraging sources available. The City currently leverages each dollar it invests in affordable housing with up to three dollars of other public and private resources.

Question 2: Where is the plan [to address homelessness]?

Answer 2: The City's Comprehensive Homeless Strategy (CHS) (C.F. 15-1138-S1); adopted by the Mayor and Council earlier this year, presents the framework for the City's plan to address homelessness. The CHS can be found on the CAO Home Page, www.cao.lacity.org.

Question 3: Of the seven city properties proposed: how many units [would be built] on those properties?

Answer 3: There are eight city-owned properties, with 12 parcels, which have been included in a Request for Qualifications/Proposals. At this time, the exact number of units that would be built on such properties is unknown. The goal is to review the proposals, which were due September 15, 2016, and determine the most beneficial option for the City--develop the sites or sell the sites and use the sales revenue to finance supportive housing projects.

Question 4: How many total units will be built? Over what period of time will they be built?

Answer 4: GO bonds would be issued over a 10-year period and we estimate the production of 8,000 to 10,000 units, depending on leveraging sources available. Normally, the City finances about a 1/3 of a project and is able to leverage up to $3.00 for every $1 of City investment.

Question 5: How many [units] per year?

Answer 5: Production rates for supportive housing for the homeless will vary from year to year, but our target average production of supportive housing would be approximately 800 to 1,000 units per year. Currently, the City's Housing and Community Investment Department (HCID) finances about 800 units of affordable housing per year. About 300 of the 800 are supportive housing units. With the bonds and other leveraging sources that become available, that number could increase from 300 to up to 1,000 units per year.

Question 6: When would building begin?

Answer 6: As stated above, the City already finances supportive housing. The bonds would allow the City to increase the number of units financed. Construction of housing projects generally starts approximately six months after the project has been fully funded.

Question 7: Who picks the non-profits that will provide services?

Answer 7: The City is currently working on an agreement with the County for the provision of supportive services in housing developments financed by the City. The County selects the non-profit partners/service providers through a competitive bidding process.

Question 8: Who picks the developers? How would developers get financing?

Answer 8: The City provides financing to developers selected through a competitive process. These developers include both non-profit and for-profit entities, and must have experience developing and managing supportive housing units. Units financed by the City will have affordability covenants restricting the units to affordable rents for a period of 55 years.

Question 9: How much of the billion dollars will go toward financing the developers?

Answer 9: Bond proceeds can only be used for brick and mortar projects. Bond proceeds will be loaned to developers to provide supportive and affordable housing. As stated above, all units financed by City funds will have affordability covenants restricting the units to affordable rents for a period of 55 years.

The bond proceeds may also be used for homeless facilities, such as, showers, shelters, and storage facilities The City is currently developing the program to finance such facilities and anticipates that the program would be ready immediately after the bond measure approval.

Question 10: How much money will be spent on community outreach to thwart the nimbys?

Answer 10: Bond proceeds cannot be used for this purpose. Developers must conduct community outreach for any project for which they plan to apply for bond financing.

Question 11: Who will pick the community expeditors and at what cost?

Answer 11: Developers are responsible for paying for any expedition of the permitting process. However, the City is already prioritizing supportive and affordable housing projects through its entitlement and permitting process.

Question 12: Will any purchase or 'eminent domain' properties reduce the rent control inventory?

Answer 12: The City does not anticipate using eminent domain for this purpose. Any buildings/units whose purchase is facilitated by the City for the construction of supportive housing will be done with the goal of increasing the number of affordable and/or supportive units in the City. Such activities would only be done to serve the public purpose of increasing the number of affordable and/or supportive rental units on the market.

Question 13: Who will oversee the projects when built?

Answer 13: The City's Housing and Community Investment Department (HCID) will monitor projects that are constructed using GO bond proceeds to ensure that developers adhere to the affordability covenants on units/buildings, and all other regulations. A Citizens Oversight Committee and an Administrative Oversight Committee, comprised of the Mayor, the CLA and CAO (or their respective designees), will oversee the bond expenditure plan and program.

Question 14: How much funding will be dedicated to litigation costs knowing challenges to environmental laws are a given and challenges to eminent domain as well?

Answer 14: The bond proceeds cannot be used for this purpose.

Question15: Will we build next to freeways where land is cheaper and car pollution is greater?

Answer 15: The City intends to finance supportive housing Citywide in adherence to federal, state, and local standards and national best practices for the construction of affordable and supportive housing.

Question 16: The Planning Department is understaffed and behind as it is now. How will this affect timing and costs?

Answer 16: Previous understaffing of the Planning Department was due to a lack of eligible Civil Service lists for Planning position classifications. Planning is currently working to fill vacant positions using new eligible lists and is additionally working to utilize state legislative tools to streamline the approval process for affordable and supportive housing projects.

Question 17: If homelessness is eradicated, what happens to the non-profits and all of those jobs? Will they have the real will to make the fixes needed?

Answer 17: The City cannot speak for the business operations or personnel issues of non-profit agencies, but City staff working specifically on the GO bond program would largely be employed using temporary position authorities. However, if the City ever gets to point where homelessness is eradicated, these agencies could go out of business or may need to change their business model.

Question 18: Why can't the City create its own rent-voucher program to augment the federal Section 8 Program?

Answer 18: GO bond proceeds can only be used for bricks and mortar, not rental subsidies. Moreover, the City would need to have an on-going source of funding for a rental subsidy program. Once a rental subsidy commitment is made to a tenant, the commitment has to continue as long as the tenant needs the assistance.

Question 19: What is the plan if the bond measure fails?

Answer 19: The City will need to identify other sources of funding for homeless services and housing within the existing budget, which would reduce available funding for other vital City services and functions. The City would continue to finance supportive and affordable units with its very limited budget.