

THE PATH TO 10,000 UNITS IN THE CITY OF LOS ANGELES



Based on what has been financed so far, this is one version of how all the variables need to line up for us to collectively reach 10,000 units of supportive housing in 10 years (eight remaining); with 3,000 financed with 9% Low Income Housing Tax Credits and City funding sources, and the additional 7,000 financed with Prop. HHH revenues and 4% Low Income Housing Tax Credits.

CITY OF LOS ANGELES

- 1. OVER A 10 YEAR PERIOD, THE CITY NEEDS TO USE AN AVERAGE HHH PER UNIT SUBSIDY THAT IS NO MORE THAN \$143,000 DOLLARS PER UNIT.**
 - a. We are currently on track with this goal if we adhere to the current Prop. HHH regulations and leverage new sources such as Proposition 2-- “No Place Like Home”—on the November 6 statewide ballot.
- 2. THE CITY NEEDS TO SUPPORT AT LEAST 300 SUPPORTIVE UNITS PER YEAR WITH NON-HHH REVENUE.**
 - a. To stay on track with this goal, the City should consider adjusting its current Managed Pipeline low income housing tax credit allocation plan.
- 3. THE CITY NEEDS TO CONTRIBUTE AT LEAST \$15,500,000 PER YEAR IN LAND, OR EQUIVALENT CASH VALUE.**
 - a. This goal has been met to date when land value is averaged across the first two years of the Prop. HHH Program. If city doesn't have land inventory sufficient to keep this pace then we will need additional non-HHH project subsidies.

COUNTY OF LOS ANGELES

- 1. THE COUNTY NEEDS TO SECURE AT LEAST \$153M/YEAR FOR 4 YEARS FROM PROPOSITION 2/"NO PLACE LIKE HOME" FUNDING OVER 4 YEARS -- \$614M TOTAL**
- 2. CITY PSH PROJECTS NEED TO SECURE \$92M/YEAR FOR 4 YEARS FROM PROPOSITION 2/"NO PLACE LIKE HOME" FROM THE COUNTY -- \$368M TOTAL.**
 - a. \$92M/YEAR represents 60% of the total annual County allocation, which correlates to the City of Los Angeles' share of the total population of people experiencing homelessness across L.A. County
- 3. CITY PSH PROJECTS NEED TO SECURE AT LEAST \$30M A YEAR IN TOTAL SUBSIDY FROM THE COUNTY'S AFFORDABLE HOUSING FUND.**
 - a. We are currently not on track with this goal; however, the County increased its project loan limits from \$3M to \$5M for supportive housing projects in the City of Los Angeles. If maintained, this will help us achieve the goal going forward.

STATE OF CALIFORNIA

- 1. CITY PSH PROJECTS NEEDS TO CONTINUE TO WIN AT LEAST \$25M PER YEAR IN COMPETITIVE ALLOCATIONS AT THE STATE LEVEL FROM PROPOSITION 1 FUNDS, VHHP, AND/OR AHSC.**

POLICY CHANGE, INNOVATION, & COALITION ADVOCACY

- 1. PER UNIT COSTS CANNOT RISE MORE THAN 3% PER YEAR.**
 - a. This will be a challenge and does not reflect year over year increases to date.
 - b. Once in effect, the streamlining provisions of the City's PSH Ordinance will help reduce costs. The recently passed AB 2162 will also be helpful.
 - c. The “Transit Oriented Communities (TOC)” program offers considerable cost savings and streamlining benefits towards this goal
 - d. We should continue to encourage construction innovations that support the reduction of time and construction costs.
- 2. PRIORITIZE SUPPORTIVE HOUSING APPROVALS AND INSPECTIONS BY LADBS, DWP, AND OTHER DEVELOPMENT-RELATED APPROVALS TO REDUCE TIME AND COSTS.**
 - a. Mayor Garcetti's “Executive Directive 13” has helped support significant progress towards this goal.
- 3. Prop. HHH funds should only be used to support housing development—the facilities program should be permanently discontinued in light of the “Bridge Home” program funding that has been secured from City and State sources.**

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NEAR TERM RECOMMENDATIONS

THE PATH TO 10,000 REQUIRES THE CITY TO PRIORITIZE ITS FINANCIAL RESOURCES AND TO SECURE SUFFICIENT LEVERAGING RESOURCES FROM THE COUNTY AND THE STATE.

1. It is critical that the City encourage applications eligible for 9% Low Income Housing Tax Credits set aside for homeless and special needs using local and federal funds in the Housing Trust Fund, while also encouraging non-HHH supportive housing units integrated into otherwise affordable housing transactions where possible -- to meet its commitment to fund 300 units per year over 10 years. Over 8 years, \$288,765,500 is needed from these sources.
2. It is critical that the City enter into an MOU with the County concerning the use of No Place Like Home funds and County Affordable Housing Trust Funds to ensure that it can secure at least \$92.1M per year for 4 years of NPLH, and another \$30M per year of Housing Trust Funds for PSH in the City of Los Angeles. Over the next 8 years, \$758.4M is needed from these sources.
3. It is critical the City continue to ensure that participating housing providers have the City support needed to compete successfully for AHSC, Proposition 1, and other State controlled funds. Over the next 8 years \$267M is needed from these sources.