

MOTION BY SUPERVISOR HILDA L. SOLIS

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**Prioritizing Affordable Housing in Areas with Displacement Risk**

Los Angeles County (County) is facing a severe housing crisis. According to the California Housing Partnership’s 2019 Affordable Housing Outcomes Report (Outcomes Report), the County needs to add approximately 517,000 affordable homes to meet the current demand of renter households at or below 50 percent Area Median Income (AMI). Between 2000 and 2017, the County’s inflation adjusted median household rent increased by 40 percent, while the median household income has only increased by approximately nine percent. With rents rising at a far greater rate than household income, the Outcomes Report indicates nearly two out of three low-income renter households (at or below 50 percent AMI) are severely cost burdened or pay more than 50 percent of their household income on rent. As a result, severely cost burdened households are vulnerable to displacement and at increased risk of homelessness.

By analyzing trends in specific demographic and economic factors over time, researchers of the Urban Displacement Project measure displacement risk by geographic area. Vulnerable areas have a high percentage of low-income households combined with

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such risk factors as: rents rising faster than the regional average, access to nearby transit, and high employment. In addition, research has demonstrated that significant public infrastructure investments in low-income neighborhoods also correlate to greater rental rate increases than average rates for a region and its surrounding areas.

Recognizing risk factors that accelerate displacement and gentrification provides an opportunity for allocation of resources and revenue to develop affordable housing in areas that will be most impacted. In areas in which investments such as public transit projects and parks, as well as private investment, are already taking place, or are slated to take place, affordable housing development should also be integrated. This approach can in turn, align and coordinate a multi-pronged public infrastructure and affordable housing investment effort, creating a comprehensive positive impact on neighborhoods and communities that would otherwise face accelerated displacement.

Further, as recommended in the Outcomes Report, alignment of policy and process that prioritizes the development of affordable housing in high resource areas vulnerable to displacement would maintain reasonable rent for residents living in communities with access to neighborhood-rich amenities, jobs, and transit. Additionally, some jurisdictions have established policies, such as Portland's "Right to Return," and the City of San Francisco's "Certificate of Preference" and "Displaced Tenant Housing Preference," to ensure that resident populations which face displacement are provided a right to return to replacement housing and/or affordable housing that is funded by the jurisdiction.

**I, THEREFORE, MOVE** that the Board of Supervisors:

1. Direct the Chief Executive Officer (CEO), in partnership with the Los Angeles County Development Authority (LACDA), Department of Regional Planning (DRP), Department of Public Works (DPW), and Los Angeles County Metropolitan Authority (Metro), to review existing maps, data, and other resources to identify areas that are at high risk for displacement within the County region, and report back in 120 days. The report back should include strategies that prioritize areas for the County's affordable housing programs and initiatives. This comprehensive analysis should be informed by, consider, build upon, and include but not be limited to the alignment of the following information:
  - a. UCLA's etal Urban Displacement Project's geospatial maps;
  - b. LACDA's Displacement/Gentrification Study;
  - c. Properties with expiring affordability covenants by LACDA;
  - d. DRP's Equity Indicators tool;
  - e. The County efforts to identify sites suitable for affordable housing, including the Affordable Housing Acquisition Fund;
  - f. Transit Oriented Community Baseline Framework;
  - g. Los Angeles River Master Plan; and
  - h. Major planned public and private infrastructure and transit improvements, including those of DPW, DRP, Department of Parks and Recreation, Regional Park and Open Space District (RPOSD), and Metro.
2. Direct the CEO, in partnership with LACDA, to prioritize community serving entities/developers who commit to the longest terms of affordability and/or

affordability in perpetuity, to have the first opportunity to develop on identified viable land. Additionally, where feasible, prioritize long-term retention of the County's investment in producing or preserving affordably priced renter-occupied or owner-occupied housing, and build community and household equity through community land trusts or other established and successful models that establish affordability in perpetuity.

3. Instruct the CEO, in partnership with DPW, LACDA, Treasurer and Tax Collector, and other relevant departments to identify vacant and underutilized County properties, other public properties, and Chapter 8 properties, within areas at high risk of displacement, and consider conveyance and long-term ground leases to community-serving entities/developers including but not limited to community land trusts and other community stewardship and shared equity models, with the aim to develop permanently-affordable rental and/or ownership housing.
4. Direct LACDA to include in the report back the recommendation for establishing a funding priority for high resource areas at risk of displacement for the Notice of Funding Availability (NOFA) targeting FY 2020-21 to benefit from the new affordable housing units.
5. Instruct the CEO to include in the report back recommendations for establishing a funding priority for high resource areas at risk of displacement for the Affordable Housing Acquisition Fund.
6. Instruct CEO, in partnership with LACDA, DRP, DPW and other key departments to study and recommend funding streams including Tax Increment Funds (TIFs) and Enhanced Infrastructure Financing Districts (EIFDs), among other tools, to

augment the County's Affordable Housing Acquisition Fund to support preservation and development of affordable housing and address displacement impacts of projects in the County's high resource communities.

7. Direct DRP to incorporate relevant information and findings from this analysis into the 2021-2029 Housing Element Update.
8. Instruct the CEO, in partnership with LACDA, DRP, and other key departments, to provide recommendations on a process to establish right to return for residents subject to displacement from large, public/private, capital investment in an area through a Certificate of Preference or other mechanism.

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