AGN. NO.____

MOTION BY SUPERVISORS KUEHL
AND RIDLEY-THOMAS October 27, 2015

Los Angeles County (County) is experiencing one of the worst housing crises in its history. A family living in the County is required to earn $71,000 per year in order to afford the average rent for an apartment in Los Angeles. Unfortunately, the average renter household earns only $39,000 per year, making it difficult for full-time childcare workers, security guards, nursing assistants, teachers, and many others to even afford a studio apartment in Los Angeles. The County is currently 527,000 units short in its supply of housing affordable to very low-income households. As a result, families “double up,” causing our region to be known as the over-crowding epicenter of the country with more families in unsustainable and unsafe living conditions than anywhere else. When a crisis strikes - a job lost or an injury that causes lost wages - these households fall into homelessness, and are often forced to look to the County for financial assistance.

In 2006, the Board of Supervisors (Board) implemented the Homeless Prevention Initiative, and in 2011, officially endorsed Home for Good’s plan to end chronic and veteran homelessness. Even so, over the past decade, the County’s commitment to addressing homelessness has fallen short, with no real comprehensive approach and

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insufficient resources to meaningfully address a major component: the affordable housing crisis.

The lack of affordable housing has had a profound impact on the County and its residents. In January of this year, 15,857 families on CalWORKs were homeless. A shocking 53,575 individuals receiving General Relief were homeless during the same month. These individuals, many of them mothers and fathers, face extraordinary challenges in becoming gainfully employed. Even the exceptional person who can find a place to clean up for a job interview, get to the interview on time on the bus, and land a job, faces overwhelming odds against finding a job that pays enough money to rent an apartment in the County.

The housing crisis also impacts many of our County Departments, requiring inefficient expenditures on public safety, child protection, and healthcare. Taxpayers pay for children to stay in foster care because, even when their parents have done everything to show that they can safely care for their children, a judge cannot release a child to a family that does not have a place to live. Our hospitals hold patients longer than medically necessary because of the lack of a safe place to which a patient can be discharged. Men and women leaving jail who are homeless are much more likely to commit another crime and return to jail. Children who grow up in overcrowded homes or experience homelessness have profoundly worse health and educational outcomes than their peers.

Programs to preserve and create affordable housing were severely curtailed by the February 2012 statewide dissolution of Redevelopment Agencies, which had, up to that point, supplied much of the funding for affordable housing. Prior to their dissolution, local Redevelopment Agencies were required to set aside a minimum of 20% of their revenues in special Low-and-Moderate Income Housing Fund accounts, which were used to create and preserve affordable housing throughout the County. These funds provided more than $274 million per year for affordable housing in Los Angeles County. Recognizing the significant need to continue to ensure public financing for affordable housing projects, the Board has already committed $101,051,000 in one-time redevelopment dissolution revenue to support this objective. The allocation of $43.8 million of those funds has led to the creation of 1,137 new affordable apartments for low income families, seniors and households experiencing homelessness. The remaining $52.7 million is projected to create 850 to 1,450 additional affordable apartments.

Los Angeles County has a unique opportunity to address the affordable housing crisis by providing substantial and sustained funding for the creation and operation of both short and long-term affordable housing for a variety of vulnerable populations. This would best be accomplished by creating a dedicated Affordable Housing Programs budget unit. Initially, the Chief Executive Officer (CEO) should identify $20 million in FY 2016-17, with the goal of reaching full funding of $100 million of new monies per year by FY 2020-21. The Affordable Housing Programs budget unit should be made up of new funding, potentially including redevelopment residual funds, which are not currently being invested in other housing programs, and its expenses should not supplant any existing spending on housing programs, including programs to be funded through the County's new Office of Diversion and Reentry.

Up to 8% of the Affordable Housing Program funds should be made available for County and Community Development Commission administrative expenses. Of the remaining funds, no less than 75% should be allocated to support the production of new, or preservation of existing, affordable housing (including workforce housing and permanent supportive housing) for very low and extremely low-income or homeless households. The remaining funds will be reserved for rental assistance, rapid rehousing, shared housing, move-in assistance, and related services for individuals and families.

To ensure a coordinated, holistic and collaborative investment strategy, the Board should create an Affordable Housing Coordinating Committee, and an Executive Committee comprised of a subset of Coordinating Committee members. The Committees should include and be supported by the Chief Executive Officer. The Coordinating Committee should recommend models to address the affordable housing needs of a variety of priority populations including low income families, seniors, homeless individuals and families, transition age youth, people exiting our jails and juvenile justice system, child-welfare involved families, veterans, extremely low income individuals with physical disabilities, domestic violence survivors, and a broad range of individuals who are frequent users of County health and social service programs. The Committee should be tasked with evaluating all County housing programs, documenting our progress in meeting regional housing needs, and providing guidance on policy changes that should be considered in order to best serve the County's priority populations. The Committee should also analyze the County's ability to produce and secure affordable housing that contributes to the health of communities by locating housing near transportation, job centers, and other amenities.

Additionally, the Executive Committee shall develop a recommended funding allocation strategy to be presented to the Board of Supervisors as part of the Supplemental Budget phase.

As the County's partner in developing affordable housing projects Countywide, the Community Development Commission should also consider a variety of strategies in order to optimize its role in developing additional affordable housing units in the coming years.

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

1. Direct the Chief Executive Officer and the Auditor-Controller to create a new Affordable Housing Programs budget unit within the County General Fund.
2. Direct the Chief Executive Officer to report back during the Supplemental Budget phase of the Fiscal Year 2016-17 budget with a multi-year plan to provide new funding that is not already allocated for homelessness or housing programs for the Affordable Housing Programs budget unit. The plan should identify $20 million in FY 2016-17, and recommend ways to increase annual allocations to the fund by $20 million per year in each of the subsequent four fiscal years, to ultimately reach an annual allocation of $100 million per year for this budget unit by FY 2020-21. Among potential funding sources, the plan should include strong consideration of the use of redevelopment residual and one-time dissolution funds. The plan should also explore potential leveraging of Mental Health Services Act funding to increase production of new permanent supportive housing.

3. Direct the Chief Executive Officer to allocate up to 8% of Affordable Housing Programs funds for County and Community Development Commission administrative expenses. A minimum of 75% of the remaining funds should be dedicated for production of new, or preservation and rehabilitation of existing, affordable housing for very and extremely low-income or homeless households, including workforce housing and permanent supportive housing for these households. The remaining funds will be available to support rental assistance, rapid re-housing, shared housing, and move-in assistance.

**WE FURTHER MOVE** that the Board of Supervisors:

4. Direct the Chief Executive Officer (CEO) to establish a Los Angeles County Affordable Housing Coordinating Committee including one representative from each of the following agencies: the Community Development Commission, the Housing Authority of the County of Los Angeles, the Department of Mental Health, the Department of Health Services, the Department of Public Health, the Department of Public Social Services, the Department of Community and Senior Services, the Sheriff's Department, the Probation Department, the Los Angeles Homeless Services Authority, the Department of Children and Family Services, and the Department of Regional Planning. An Executive Committee, comprised of representatives from the CEO, Community Development Commission, the Housing Authority of the County of Los Angeles, the Department of Mental Health, the Department of Health Services, the Department of Regional Planning, and the Los Angeles Homeless Services Authority, should lead the Committee's work.

5. Direct the CEO to hire appropriate technical advisers, as needed, to support the work of the Affordable Housing Coordinating Committee and the Executive Committee.
6. Instruct the Coordinating Committee to develop an Annual Affordable Housing Outcomes Report, which shall provide policy recommendations, gap analysis and information on the outcomes of all of the County's affordable housing investments including the Community Development Commission's housing programs, the Housing Authority of the County of Los Angeles's public housing and voucher programs, the Department of Mental Health's Mental Health Services Act Housing Program, the Department of Health's Housing for Health programs, the Office of Diversion and Re-Entry housing programs, the Los Angeles Homeless Services Authority's housing programs, the Department of Public Social Services' housing programs and any other county housing programs.
7. Instruct the Coordinating Committee to report back to the Board of Supervisors in 150 days with:
    - **a.** A template for the Annual Affordable Housing Outcomes Report; and
    - **b.** An assessment of the feasibility of implementing local hire requirements and requirements for hiring from social enterprises in the construction, operation, and maintenance of affordable housing developments, and the possibility of requiring certification for affordable housing operations and maintenance employees on all capital projects supported by the Affordable Housing Programs budget unit.

8. Direct the CEO, as part of the Homeless Initiative, to report back to the Board of Supervisors in 120 days with a recommendation on how the FY 2016-17 Affordable Housing Programs budget unit funds that are not reserved for production of new, or preservation and rehabilitation of existing, affordable housing for very and extremely low-income or homeless households should be invested.
9. Instruct the Executive Committee to recommend, through the Chief Executive Officer as part of the Supplemental Budget phase of the Fiscal Year 2016-17 budget, annual and multi-year funding allocation recommendations for the Affordable Housing Programs level budget unit, initially focused in FY 2016-17 on funding allocations for the 75% of the fund that is dedicated to the creation and preservation of housing, and continuing to report back to the Board of Supervisors in subsequent Supplemental Budget phases with future recommendations for the entire budget unit. In its annual recommendations, the Executive Committee shall consider regional housing needs and include an explanation in their recommendations for how geographic variables were assessed and utilized in the allocation recommendations.

**WE FURTHER MOVE** that the Board of Supervisors, acting as the Board of Commissioners for the Community Development Commission (CDC), direct the Executive Director to submit, within 150 days, a report that provides recommended policy or administrative actions necessary to facilitate the effective and efficient use of Affordable Housing Program resources committed to the CDC, and assesses the feasibility of:

a) Developing a bi-annual NOFA process,

b) Increasing the existing $2.5 million project cap in unincorporated areas of the County,

c) Requiring or incentivizing cities to invest in proposed affordable housing developments, potentially including a requirement of a sliding scale match to County funds. Cities that are receiving substantial redevelopment residual funds (more than $4 million per year) should demonstrate a significant contribution to affordable housing production in their jurisdiction,

d) Implementing strategies to support the creation of affordable housing for non-special needs extremely low-income households, as well as strategies for preserving affordability in existing housing such as rent controlled housing via rehabilitation,

e) Establishing an iterative process for reviewing and amending service plans,

f) Setting annual targets for available Project-Based Housing Choice Vouchers at levels adequate to fund all special needs units funded under NOFA 22 and annual targets for future years,

g) Establishing project-specific social service reserves, and

h) Strategies for incorporating recommendations from the County's Homeless Initiative in future affordable housing investments.

S:MR/Housing and Homelessness Trust Fund