



To: LACAHS Board of Directors- Executive Ad-Hoc Committee

From: LACAHS Board Experts

Alan Greenlee, Executive Director, SCANPH (Production Seat)
Jonathan Jager, Staff Attorney, Public Counsel (Preservation Seat)
Natalie Knott, Legal Aid Foundation of Los Angeles (Tenant Protections Seat)
Zerita Jones, Tenant & Housing Justice Advocate (Interim COC Chair)

Date: July 30, 2024

RE: LACAHS Experts' Response to LACAHS Executive Ad-Hoc Committee

On May 29, 2024, the LACAHS Experts presented the Board of Directors with their vision for short-term and long-term policy priorities regarding LACAHS's three pillars: Production, Preservation, and Protections. On June 14, 2024 the LACAHS Executive Ad-Hoc Committee met and discussed the LACAHS Experts presentation. The Executive Ad-Hoc committee shared questions and feedback for the experts to consider. Below is a list of the LACAHS Experts' responses to the feedback they received from the Board of Directors and the Executive Ad-Hoc Committee.

Production

1. *Define the prohousing term. Should it be pro-affordable housing? Should it align with the pro-housing designation program in the state?*

HCD's [pro-housing designation](#) program grants incentives to local governments in the competition for certain State housing and infrastructure funding if they take steps to eliminate barriers to building new affordable, transit-oriented housing.

LACAHS should use the state designation program as a starting point for a local pro-housing designation that aligns with LACAHS's mission and statutory authority. For example, SB 679 has certain "pro-housing" criteria for the at-large small city board seat that should be incorporated into a local designation (see Gov. Code §§ 64711(a)(5)(B)(iii)-(v)).

2. ADUs as a tool for wealth building for homeowners

One of the ways LACAHS can possibly address affordable housing disparities and combat displacement is by ensuring that ADUs remain affordable for families to take advantage of. Additionally, ADUs can be used as a tool to expand access to opportunities to build generational wealth among low-income BIPOC residents.

It is important to understand, however, that conversations around ADUs must consider the tradeoff between preservation of affordable housing and creating opportunities to build generational wealth.

Most programs aimed at preserving and promoting affordability often struggle to provide access to opportunities for wealth building given the new debt homeowners have taken on and the requirements to rent their ADUs at an affordable rate. On the other hand, programs aimed at providing opportunities for wealth building among homeowners may find themselves in a quandary where in an effort to



promote wealth building opportunities, they fail to increase access to affordable housing units for tenants most impacted by systemic inequities.

LACA HSA should explore programs that incentivize or allow for an agency/developer to take on the burden of financing and managing the development of ADUs. Loosening the cost to construct ADUs and keep them affordable for people under 80% AMI may encourage homeowners to participate in ADU construction, and to keep rent for ADUs at an affordable rate.

3. Homeownership...

Consistent with SB 679, LACA HSA should develop programs to assist low- and moderate-income households with becoming homeowners. Homeownership is a key strategy to help families build generational wealth. Given the extraordinary costs of traditional single-family homeownership, LACA HSA should explore how it can support all models of ownership, including but not limited to traditional single-family homes, condominiums, and cooperatives.

4. The need for federal resources

LACA HSA aims to produce and preserve affordable housing for ALL people, including assisting individuals and families that are extremely and/or acutely low income. In an effort to advocate and obtain more resources for the agency, LACA HSA should develop an aggressive lobbying strategy to encourage the expansion of more resources from the state and/or federal level.

Preservation

5. What about adaptive reuse? Specifically, motel and hotel conversion.

Adaptive reuse of hotels and motels is an important strategy that LACA HSA should consider as part of its goals to produce more affordable units and preserve existing housing. These types of conversions often result in housing especially suited for transitional populations or people with disabilities, both important subpopulations for whom LACA HSA should be working to provide housing solutions.

6. Addressing expiring covenants separately

Sixty three percent of residents in Los Angeles City live in rental housing, with only a fraction secured through affordability covenants. Based on data from the Los Angeles Housing Department, there are approximately 650,000 units in about 118,000 properties throughout the City of Los Angeles under the jurisdiction of the Rent Stabilization Ordinance in the City of Los Angeles.¹ Additionally, Los Angeles County has about 51,700 rent-controlled units in unincorporated areas, most of which are located in East LA, South LA, and the San Gabriel Valley.²

This naturally-occurring affordable housing, or NOAH, which is often home to some of the lowest-income and most vulnerable residents in the City, typically faces deferred maintenance and habitability concerns.

¹

<https://housing2.lacity.org/rso#:~:text=Rent%20Stabilization%20Ordinance&text=There%20are%20approximately%20650%2C000%20units,also%20covered%20by%20the%20RSO>.

² <https://www.latimes.com/california/story/2024-06-05/la-county-advances-plan-to-cap-rent-hikes>



Therefore, preservation of LA County's housing that is at-risk NOAH housing, and part of the existing affordable housing stock, is a critical priority that LACAHS must undertake in an effort to develop new affordable units.

Further, in order to meet the urgency of this situation, LA County must establish new tools to expand opportunities for the preservation of expiring covenants and the stabilization of their residents in their neighborhoods, combatting homelessness and displacement, creating perpetual affordability, and facilitating pathways to extend resident ownership opportunities

With regards to existing affordable housing covenants, their constant expiration is a crisis that LACAHS must confront as resources allow. Broadly, these properties can be divided into two scenarios: some covenants are on units owned by for-profit developers, who are incentivized to raise rents and displace low-income families as soon as the law allows. Others are in the portfolios of mission-driven affordable housing developers and operators, who have no desire to displace tenants but desperately need resources to continue to subsidize rents and frequently to perform deferred maintenance. These two problems require different solutions, and LACAHS must develop both and be able to articulate the difference within expiring covenants:

- Buildings owned by nonprofit AH developers approaching expiration that need more funding
- Then also for profit developers waiting to turn market rate
- Both require different solutions.

7. New affordable housing covenanted units should be affordable in perpetuity

Affordability covenants for as long as the law will allow is becoming increasingly recognized as a key best practice to avoid future crises of expiring covenants. Yet, a quirk of the US tax code complicates the ability to combine perpetual affordability with the Low Income Housing Tax Credit program, the largest funding source for affordable housing nationally. However, some funders, including the state of Vermont, have found ways to reconcile these conflicts. LACAHS should endeavor to require perpetual affordability wherever possible, and research and explore how other jurisdictions have made this possible.

8. When LACAHS talks about climate goals, also include environmental goals.

Low income communities of color suffer disproportionate exposure to pollution as a direct result of racist redlining. Additionally, urban sprawl has led to the loss of natural habitats, increased greenhouse gas emissions, and reduced air and water quality. LACAHS must prioritize development of affordable housing in alignment with LA County's Climate Action Plan and the LA County Water Plan, thus aiming to achieve zero-carbon buildings, concentrating more housing near transit, and conserving water by 2045.³ Furthermore, in an effort to align regional housing and climate goals, LACAHS must produce climate-friendly housing and preserve subsidized and unsubsidized affordable housing in need of investment and renovation.

Protections

9. How can we ensure that tenant protections do not hurt small landlords?

³ <https://planning.lacounty.gov/long-range-planning/climate-action-plan/>



LACAHS can support small landlords while also pursuing renter protections. Renter protections and support for mom & pop landlords are not a zero-sum game. Exempting most mom & pop landlords from renter protections rarely accomplishes any stated public policy goal. Small landlords have genuine needs and feel financial impacts, such as rising insurance costs and unpaid rent, more acutely than large corporate landlords. However, exemptions from renter protections do not ameliorate those financial impacts.

Uniformity of renter protections is also a benefit to small landlords—a regulatory landscape that is easier to understand leads to more efficient systems and fewer parties asserting inaccurate rights.

LACAHS should support small landlords by providing financial and bureaucratic support to ensure they are able to safely and sustainably operate their rental housing businesses.

**LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY
BUDGET AND ADMINISTRATIVE EXECUTIVE AD-HOC COMMITTEE**

JUNE 14, 2024

10:00 A.M. – 12:00 P.M.

Item #3: Discuss Expert's Presentation and Potential Items for Policy Adoption and/or Further Discussion

**SUMMARY OF LACAHS A EXPERTS' PRESENTATION
AT THE 5.29.24 BOARD MEETING**

Presented by:

- **Alan Greenlee**, Executive Director, SCANPH (Production Seat)
- **Almas Sayeed**, Homeless Initiative at County of Los Angeles (Tenant Protections Seat)
- **Jonathan Jager**, Staff Attorney, Public Counsel (Preservation Seat)
- **Zerita Jones**, Tenant & Housing Justice Advocate (Interim COC Chair)

I. Vision:

Production and Preservation:

1. Prevent further homelessness by increasing the amount of affordable housing through the production of more affordable housing and the implementation of preservation strategies.
2. Ensure that affordable housing is accessible to all LA county residents by prioritizing deep affordability levels.
3. Ensure that all affordable housing adds to or contributes to the advancement of community development in the surrounding neighborhoods.
4. Create pathways to homeownership.

Protections:

1. Increase renter protections for all LA County residents.
2. Expand and coordinate strong regional collaboration that aims to advance tenant protections services such as legal counsel and rental assistance.

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II. Short and Long-Term Priorities Presented (Production, Preservation, Protections)

Priorities (feedback from 5/29 Board Meeting in Blue Text):		
Priority	Short-term Priorities	Long-term Priorities
Production	<ul style="list-style-type: none">Invest in Low Income Housing Tax Credit Developments<ul style="list-style-type: none">Time and Cost vs. LeverageEnsure investment strategies produce affordable housing throughout the CountyClear backlog of existing developments stalled because of inflationary pressuresDevelop robust affordable housing technical assistance program to cities in the County	<ul style="list-style-type: none">Develop uniform LACAHS Social Housing ProgramExplore all the financial flexibility available to LACAHSADD: Working in conjunction with LA County and cities, establish a landbank of public and private land that can be used for affordable housing or mixed-use developmentADD: Advocating for federal resources and programmatic resources, including development capital and rental assistance programsADD: Embracing innovative strategies (e.g., adaptive reuse)ADD: Facilitating affordable housing strategies (e.g., accessory dwelling units, or ADUs) for the general population that are accessible as a development tool for long-term sustainabilityADD: Prioritizing and incentivizing prohousing production to support both jurisdictions/entities that have prohousing policies and those without
Preservation	<ul style="list-style-type: none">Establish a LACAHS Preservation fund to ensure long-	<ul style="list-style-type: none">Construct a regional Preservation Ecosystem that allows for no restrictions of

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	<p>term affordability of currently subsidized housing</p> <ul style="list-style-type: none"> • Develop a NOAH Acquisition Program for Community Land Trusts and mission aligned affordable housing developers 	<p>tenant controlled and tenant ownership opportunities</p> <ul style="list-style-type: none"> • Model regional policies that can leverage LACAHSAs funding for preservation purchases • ADD: LACAHSAs provides critical solutions to preserve the region’s housing stock with expiring convents and multifamily buildings that are in desperate need of investment or renovation to remain affordable. • ADD: Provide strategic leadership to align regional housing and climate goals with LACAHSAs preservation activities for both subsidized and unsubsidized affordable multifamily properties.
<p>Protections ADD: for tenants and small landlords</p>	<ul style="list-style-type: none"> • Templates for “tenant protection” ordinances • Provide technical assistance to cities that may need additional support to develop and implement tenant protections • Capacity building support for tenant support organizations • Develop a regional emergency rental assistance program based off of the State’s ERAP and lessons learned 	<ul style="list-style-type: none"> • Establish a regional network of uniform tenant protection services such as legal services, emergency rental assistance, and income support • Create an income support program for vulnerable LA County residents such as seniors and people with disabilities

III. Gradients of Agreement Report

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First Round	GoA #	1	2	3	4	5	Absent
Full presentation as given.		16	1				4

Second Round	GoA #	1	2	3	4	5	Absent
Discussion on Production Priorities.		14	3				4
Third Round	GoA #	1	2	3	4	5	Absent
Discussion on Preservation Priorities.		17					4

The LACAHS Board also discussed incorporating people as another main priority of LACAHS, as well as environmental sustainability goals. This requires further discussion to determine how the board would like to incorporate these additions.