

MOTION

HOUSING

Los Angeles remains the nation’s most unaffordable housing market. While rent is considered affordable when it consumes no more than 30% of household income, the average renter in Los Angeles pays nearly 47% of their income towards rent. Over 75% of the lowest-income households pay half of their incomes or more towards rent, rendering them severely rent burdened.

High rental costs may be associated with underbuilding housing in the face of increasing demand led by continued population growth in the region. In 2013, of the 1,605 units needed for low-income households in the City of Los Angeles only 593 were built, representing approximately 37% of the needed housing for low-income residents.

In addition, the increasing loss of affordable units through RSO/Ellis conversions, expiring affordable covenants, and decreased funding for the production of new affordable housing units has all contributed to the current housing crisis in Los Angeles.

Supply side economics dictate that when demand exceeds supply, prices will rise. This rise has led to conditions where rents continue to increase to the point where low income individuals are living in overcrowded, illegal housing; and are commuting long distances, increasing regional traffic, to avoid high housing costs in the urban core. Low and moderate income Angelino’s are a job loss, medical emergency or relationship dissolution away from homelessness.

If higher rents continue with very little affordable supply, one may suggest that we will continue to see an increase in homelessness; those with very low incomes will no longer be able to afford housing and potentially forced onto the streets—either that or they choose homelessness, preferring to spend their meager income on other goods.

**It is imperative that while the City continues to discuss strategies and funding to house its current homeless population, it must not forget the ongoing housing crisis faced by many low income families; including police officers, firemen, teachers, nurses, medical personnel, service workers, among others.**

The City’s housing needs should reflect the City’s growth, all housing types, family size and conditions. Merely focusing on our homeless population is to shortchange all Angelinos who continue to struggle with the ongoing high costs of housing.

In determining needs, households are generally grouped into five income categories: extremely low-income<sup>1</sup>, very low-income<sup>2</sup>, low income<sup>3</sup>, moderate-income<sup>4</sup>, and above moderate-income.

The CAO’s Comprehensive Homeless Strategy Report outlines and defines the City’s housing needs as they relate to the City’s current homeless population, but falls short of outlining the number of affordable units needed by income categories – in addition to permanent supportive housing.

<sup>1</sup> Extremely low income (ELI) is 30% or less of the area median (AMI). In most of the country, 30% AMI is less than the federal poverty level for a family of three.

<sup>2</sup> Very low income (VLI): Households with income from 31% to 50% of AMI

<sup>3</sup> Low Income (LI): Households with income from 51% to 80% of AMI

<sup>4</sup> Moderate Income: Households with income from 81% to 120% of AMI

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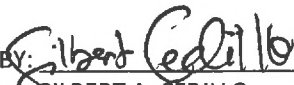
As the City continues to tackle homelessness and how to house the many who live on the street, it is important not to abandon our commitment to the many working families who continue to struggle financially.

To this point, it is important to set goals across all income categories beyond the 9,246 permanent supportive housing units outlined in the CAO Homeless Strategic Report. An investment that is sure to far exceed the \$1.8 billion price tag.

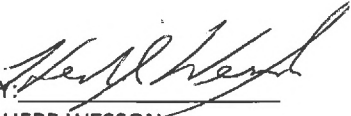
As the City begins to deliberate on several potential ballot initiatives that will create a revenue source for new housing; we must ensure funding is not only for permanent supportive housing (PSH), but for affordable housing projects across income categories, only then will the City truly begin to tackle LA's ongoing housing crisis.

I THEREFORE MOVE the City Council instruct the CAO, with the assistance of the Housing and Community Development Department (HCID), and any other relevant Department's to report back on a comprehensive housing analysis that looks into the levels of housing production needed over the next 10 years based on income categories, the cost associated with this production, and how it relates to the needed 9,246 of PSH units outlined in the CAO's Homeless Strategic Report at a cost of \$1.8 billion. Report back should also include pending projects in HCID's pipeline, current and future levels of staff capacity needed to streamline and expedite this production, along with any previous policy recommendations pending in Council, as much as they may relate to the intent of this motion.

I FURTHER MOVE the City Council instruct the HCID with the assistance of CLA to host a series of regional meetings on the subject of "Rent Burden Los Angeles", and report back with any common messages found across the City and recommendations to address the housing crisis. Report should also include an evaluation of the 2009 Economic Study of the Rent Stabilization Ordinance and the Local Housing Market (Study), and whether there is merit in commissioning an updated study with new recommendations to help address our housing crisis.

PRESENTED BY:   
GILBERT A. CEDILLO  
COUNCILMAN, 1<sup>st</sup> District

PRESENTED BY:   
PAUL KREKORIAN  
COUNCILMAN, 2<sup>nd</sup> District

PRESENTED BY:   
HERB WESSON  
COUNCILMAN, 10<sup>th</sup> District

SECONDED BY: 