

HOUSING COMMITTEE REPORT relative to efforts taken by other cities to preserve or extend expiring affordable housing covenants.

Recommendation for Council action:

RECEIVE and FILE the February 15, 2018 Los Angeles Housing and Community Investment Department (HCIDLA) report relative to the programs and strategies of other cities to preserve and extend expiring housing covenants, or to rehabilitate or form partnerships with other agencies to purchase affordable housing projects.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

Summary:

On April 11, 2018, your Committee considered a February 15, 2018 HCIDLA report relative to efforts taken by other cities to preserve or extend expiring affordable housing covenants. According to the HCIDLA, on June 28, 2017, Council instructed the HCIDLA to report in regard to various existing preservation programs in other cities, and towards that end, contacted several large cities experiencing similar housing challenges, to determine if other effective preservation models existed. Discussions held with several cities revealed that preservation of at-risk housing is a challenge in many cities primarily because the decision to continue to provide affordable units rests with a property owner (and not with the City). Therefore, the decision to maintain affordability is generally based on future plans for the property, typically driven by owner motivation, remaining years left on the term of affordability restriction(s), property location, and potential income after expiration of the affordability restrictions.

The cities interviewed indicated that they also are focused on tracking at-risk housing, and many are in the process of conducting negotiations to extend affordability on a property-by-property basis, dependent upon funding conditions. As expected, all of the cities contacted indicated that they are pairing tax-exempt bonds with 4 percent tax credits as part of their financial arsenal for preservation, just as the HCIDLA is doing for projects in Los Angeles. Other strategies include the use of a flexible funding source such as a development levy or a linkage fee.

The HCIDLA found that most of the financial programs and incentives currently being offered by other cities, fall into three distinct areas: 1) acquisition of restricted and non-restricted affordable housing; 2) rehabilitation programs; and 3) incentives related to the reduction of fees or taxes designed to stimulate or incentivize housing preservation. Some of the more innovative programs, incentives and funding approaches used by cities and counties are detailed in the HCIDLA report along with a description of each program.

After consideration and having provided an opportunity for public comment, the Committee moved to received and file the HCIDLA report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	YES
HARRIS-DAWSON:	YES

ARL
4/11/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-