

RESOLUTION

WHEREAS, an official position of the City of Los Angeles with respect to legislation, rules, regulations or policies, proposed to or pending before a local, state or federal government body or agency, must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, according to the Los Angeles Homeless Services Authority, one-third of all households in the City are severely rent-burdened, meaning they spend more than half of their income on rent; and

WHEREAS, according to the California Legislative Analyst's Office, average monthly housing rents in the State are about 50 percent above the national average; and

WHEREAS, nearly 35,000 subsidized affordable rental units in California are at risk of converting to market rate units as State and Federal subsidies and deed restrictions expire over the next five years, which represents a loss of 8 percent of the State's covenanted affordable housing stock; and

WHEREAS, the Housing and Community Investment Department's most recent market analysis estimates that over 11,000 units of affordable housing in the City of Los Angeles are at risk of losing their affordability restrictions through December 2022; and

WHEREAS, on February 4, 2020, State Assemblymember Jesse Gabriel introduced AB 2058, which would create a new \$500 million Affordable Housing Preservation Tax Credit; and

WHEREAS, the Tax Credit proposed under AB 2058 (Gabriel) would enable California to preserve approximately 25,000 units of subsidized affordable housing that would otherwise be free to convert to market rate over the next five years; and

WHEREAS, while it costs an average of \$425,000 to construct a new affordable housing unit in California, AB 2058 would enable the State to preserve affordable housing units at the cost of approximately \$20,000 per unit; and

WHEREAS, the State of California cannot afford further losses in the affordable housing stock, having already lost more than 15,000 affordable rental units since 1997 as subsidies and affordability restrictions expired;

NOW, THEREFORE, BE IT RESOLVED, with concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles include in its 2019-2020 State Legislative Program SUPPORT for AB 2058 (Gabriel), which would create a \$500 million Affordable Housing Preservation Tax Credit.

PRESENTED BY: Monica Rodriguez
 MONICA RODRIGUEZ
 Councilwoman, 7th District

SECONDED BY: [Signature]

FEB 07 2020

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