

# HOUSING

## Motion

The City continues to struggle to invest in its affordable housing stock, much due to the reduction in Federal funding which has for many years helped to fund the Affordable Housing Trust Fund (AHTF). A recent UCLA analysis notes that roughly half of middle-income households were rent burdened in 2011, compared with just 11% in 2000.

The Housing Committee has commissioned a report by the Housing and Community Investment Department (HCID) to outline several options on how to incentivize the built of additional affordable units, but also on how to increase funding to our AHTF. The report is due next month.

In the interim the City should always be proactive in advocating for additional Federal and State monies to be allocated for affordable housing. Most recently being involved in crafting favorable guidelines for the Affordable Housing & Sustainable Communities program under the State's Cap & Trade. This program will encourage the build out of affordable units that also help to reduce Los Angeles carbon footprint. This program hopes to bring a minimum of \$15 million to the LA area.

In addition, in December of 2014 the Federal Housing Finance Agency (FHFA) announced it is directing Government-Sponsored Enterprises Fannie Mae and Freddie Mac (the GSEs) to begin setting aside and allocating funds to the Housing Trust Fund and the Capital Magnet Fund (the Funds). Although the Housing and Economic Recovery Act of 2008 (HERA) instructed the GSEs to contribute annually to the Funds, then-FHFA Acting Director Ed DeMarco in 2008 suspended such contributions before the GSEs made any.

The National Housing Trust Fund is the first new federal housing production program since the HOME program was created in 1990 and the first new production program specifically targeted to extremely low income households since the Section 8 program was created in 1974.

The NHTF will, once capitalized, provide communities with funds to build, preserve, and rehabilitate rental homes that are affordable for extremely and very low income households. The allocation will be based on future business, but estimates range from \$300 million to \$500 million.

I THEREFORE MOVE for the City Council to instruct the Housing Community Investment Department (HCID) to report on the Federal Housing Finance Agency decision to direct GSE's to invest in the Housing Trust Fund, the timing on this investment, and the potential fiscal impact to our Affordable Housing Trust Fund (AHTF).

PRESENTED BY:

  
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JAN 16 2015

SECONDED BY:



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