

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: June 4, 2018

TO: Honorable Members of the Rules, Elections & Intergovernmental Relations Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No: 18-0002-S59
Assignment No: 18-05-0461

SUBJECT: Resolution to Oppose the “Making Affordable Housing Work Act of 2018”

CLA RECOMMENDATION: Adopt Resolution (Harris-Dawson - Price) to include in the City’s 2017-2018 Federal Legislative Program, OPPOSITION to the “Making Affordable Housing Work Act of 2018.”

SUMMARY

The Resolution (Harris-Dawson - Price), introduced May 11, 2018, advises that the City is currently experiencing an affordable housing crisis that has been compounded by stagnant wages. The Resolution further advises that on April 25, 2018, the Secretary of the Department of Housing and Urban Development Ben Carson proposed the “Making Affordable Housing Work Act of 2018,” which would raise rents for low income residents and impose work requirements to receive affordable housing. Raising rental rates and imposing a work requirement on those who receive federal rental assistance may contribute to the City’s homelessness crisis.

The Resolution states that the American Civil Liberties Union, along with a coalition of civil rights law firms, has recently filed a lawsuit against Secretary Carson under the basis that the “Making Affordable Housing Work” proposal undermines the Fair Housing Act of 1968. The Resolution also states that the City has a long history of promoting inclusionary zoning policies to spur constructing of new affordable dwelling units.

The Resolution recommends that the City oppose the “Making Affordable Housing Work Act of 2018.”

BACKGROUND

The Department of Housing and Urban Development (HUD) released the “Making Affordable Housing Work” proposal on April 25, 2018 and is largely responsive to the executive order “Reducing Poverty in America by Promoting Opportunity and Economic Mobility” which was released by the Trump Administration on April 10, 2018. The Executive Order directs the Secretaries of the Department of the Treasury, the Department of Agriculture, the Department of Commerce, the Department of Labor, the Department of Health and Human Services, and HUD to enforce work requirements for assistance programs in place and to identify programs that could establish and enforce work requirements.

The “Making Affordable Housing Work” proposal would need to be introduced into a chamber of Congress for consideration. At the time of this report, the proposal had not been introduced. The proposal would amend the United States Fair Housing Act of 1937 in several ways. Currently, the rental rate for a family receiving federal rental assistance is set at the highest of the following:

- 30 percent of the family's monthly adjusted income;

- 10 percent of the family's monthly income; or
- Minimum rent as set by a local Public Housing Agency

The proposal would amend the rental rate of a family receiving federal rental assistance to the highest of the following:

- 35 percent of the family's monthly income; or
- 35 percent of the amount earned by an individual working 15 hours a week for 4 weeks at federal minimum wage

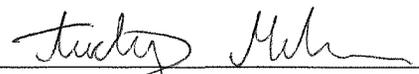
The proposal would also allow Public Housing Agencies (PHA), which administer federal rental assistance at the local level, and owners of housing developments, which administer Project Based Rental Assistance (owners), the option of adding work requirements to the federal rental assistance received by tenants. The Secretary of HUD would also be allowed to create alternative rent structures, not specified in the proposal, that PHAs or owners may choose to adopt. In addition, PHAs and owners would be allowed to create their own alternate rent structures, subject to the approval of HUD.

The proposal amends the annual income review for federal rental assistance recipients. The federal rental assistance provided to a recipient is determined by the income review. The amendments would reduce the review from an annual basis to every three years, eliminating interim reviews unless a recipient's income drops more than 20 percent.

Opposition to HUD's "Making Affordable Housing Work Act of 2018" is consistent with the City's efforts to preserve housing affordability Citywide, provide assistance low-income residents, and help prevent homelessness.

DEPARTMENTS NOTIFIED

Housing and Community Investment Department of Los Angeles


Andy Galan
Analyst

Attachments: 1. Resolution (Harris-Dawson - Price)

RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS

RESOLUTION

WHEREAS, any 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 governmental 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, the City is currently experiencing an affordable housing crisis that has been compounded by stagnant wages; and

WHEREAS, Los Angeles spends millions of dollars on affordable housing development projects to assist the large number of residents in need of reduced rent; and

WHEREAS, on April 25, 2018, Housing and Urban Development Secretary Ben Carson proposed the "Making Affordable Housing Work Act of 2018," which would raise rents for a multitude of low income residents and impose work requirements to receive affordable housing; and

WHEREAS, raising rents and requiring affordable housing recipients to obtain work may contribute to the City's homelessness crisis; and

WHEREAS, the American Civil Liberties Union along with a coalition of civil rights law firms has recently filed a lawsuit against Secretary Carson as part of this recent policy because it undermines the Fair Housing Act of 1968; and

WHEREAS, the City has a long history of promoting inclusionary zoning policies to spur construction of new affordable dwelling units;

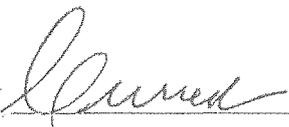
NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2017-2018 Federal Legislative Program OPPOSITION to the "Making Affordable Housing Work Act," proposed by the Department of Housing and Urban Development, and any similar legislation or administrative action, which would increase the monthly rent for some affordable housing families and allow public housing authorities to impose work requirements.

PRESENTED BY

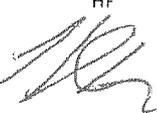


MARQUEECE HARRIS-DAWSON
Councilmember, 8th District

SECONDED BY



MAY 11 2018

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