

MOTION

On September 9, 2020, the LA City Controller released a report entitled "Meeting the Moment: An Action Plan to Advance Proposition HHH" which analyzed the Proposition HHH (Prop HHH) expenditure plan and how the program was performing relative to its goal to establish 10,000 units of permanent supportive housing. While the average per unit City subsidy is approximately \$136,000, the total median per unit cost for Measure HHH projects is \$531,373. Furthermore, the report examined the length of time it takes from when a project received a Prop HHH funding commitment letter to when a project actually is slated to break ground.

The report by Controller Galperin paints a stark picture of how the City has allocated \$1.2 billion dollars in voter-approved funding for the construction of permanent supportive housing for homeless Angelenos. In addition to the high costs and the lengthy timeline, some projects in pre-development have been granted extensions, raising questions as to whether they will actually come to fruition. While almost all of the funding has been awarded, a substantial amount of it is in the "pre-development" phase, meaning it has received a "conditional" award, and therefore, has not been drawn down upon. While projects in pre-development have received two-year letters of commitment from the City, the subject parties have not initiated formal loan agreements for said projects. A formal loan agreement memorializes the commitment and officially authorizes expenditure of Proposition HHH funds for a specific project.

This provides the City a unique opportunity to review HHH commitments that are still in the pre-development phase, and determine whether these projects are still feasible, if each project maximizes housing volume compared to the cost, and whether or not each project timeline and overall funding strategy is realistic.

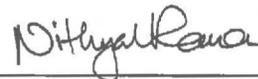
I THEREFORE MOVE that the City Attorney be REQUESTED to report to Council with legal options the City may have to potentially withdraw letters of commitment for Prop HHH funded projects which are currently in the pre-development phase or whose developers have not yet entered into a formal loan agreement/contract with the City; and,

I FURTHER MOVE that the aforementioned report detail the steps necessary to initiate the process of withdrawing letters of commitment for pre-development projects, should the Council deem such action necessary.

PRESENTED BY:



KEVIN DE LEÓN
Councilmember, 14th District



NITHYA RAMAN
Councilmember, 4th District

SECONDED BY:



MARQUEECE HARRIS-DAWSON
Councilmember, 8th District

JAN 1 2 2021