

MOTION

Dramatic hikes in insurance costs and the exit of several insurance carriers from the California multifamily housing market are increasingly jeopardizing the already herculean and highly complex task of developing supportive housing units for formerly unhoused individuals, particularly those with mental and behavioral health needs.

Affordable and supportive housing developers are reporting insurance increases ranging from 25% to 550% on properties, costs that cannot be covered simply by raising rents. In other instances carriers are not renewing insurance policies, and affordable and supportive housing developers are anticipating new policies with rate hikes between 50% to 300%.

While the Insurance Commissioner and state lawmakers are aware of the issue and are discussing various proposals, it is essential to understand the depth of the challenge faced locally, as the failure to curb these skyrocketing costs will result in a reduction of new supportive housing being developed.

I THEREFORE MOVE that the City Council direct the Chief Legislative Analyst, with assistance from the Los Angeles Housing Department (LAHD) and with the requested input of the Housing Authority of the City of Los Angeles (HACLA), Service Planning Area (SPA) lead agencies, the Supportive Housing Alliance (SHA), and the Southern California Association of NonProfit Housing (SCANPH), report back in 90 days with an analysis of recent insurance increases faced by supportive and affordable housing developers and homeless service providers, their potential impacts on supportive housing development and service provision, and what potential state and federal action can be undertaken to address the issue.

PRESENTED BY: 
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