



A WAY HOME

**FASTER, COST-EFFECTIVE
SOLUTIONS FOR HOUSING
THE UNHOUSED**

EMBARGOED UNTIL 12:00AM ON TUESDAY JANUARY 12, 2021.



Kevin
DE LEÓN

Councilmember, 14th District

LOS ANGELES: CALIFORNIA'S HOMELESSNESS EPICENTER

Los Angeles is the epicenter of the homelessness Crisis. On any given day there are 41,290 ¹ Angelenos who are considered homeless, both sheltered and unsheltered. While the largest share of unhoused individuals of any district live in Council District 14, which includes the city's Skid Row neighborhood, this humanitarian disaster knows no boundaries and leaves its mark on nearly every block in the city. Our unhoused neighbors are among the most vulnerable: mothers, fathers, children, students, aging adults, those with disabilities and veterans. Each year we break records for the amount of unhoused individuals that die LA's streets. All victims of a system that favors those with great wealth, and forgets those without.

To put the crisis into perspective, Los Angeles' 14th Council District includes an estimated count of 7,617 unhoused residents per the last homeless count, a number that exceeds the unhoused residing in entire cities across California and the nation, cities such as Long Beach, Oakland, Fresno, Sacramento, San Jose, San Diego, and even Chicago.

Beyond being a humanitarian crisis of epic proportions, the fact that the majority of people living on the streets are Black and Brown reflects another cruel layer of racial injustice. Year after year, our city, county, state and country have turned a blind eye to the mounting numbers of people of color living on our streets and ultimately dying alone on our concrete sidewalks.

The sheer volume of people – tens of thousands now – living on our streets and sidewalks has peeled back the curtain on decades of policies that have not met our needs. Angelenos are watching closely as the numbers continue to grow amid a global pandemic, a wave of evictions, historic job losses, and a federal lawsuit against Los Angeles that threatens to wrest financial and planning control away from the city if we fail to implement a plan that adequately addresses this crisis of homelessness.

What we have before us is a decision we have to make - Do we continue to piecemeal our way out of this situation or commit ourselves to a tangible global solution? One that is immediate, urgent and brings us all together. If not, we will continue on the litigation merry-go-round that gets us a few steps forward each time but is not nearly enough to

¹ <https://www.lahsa.org/documents?id=4680-2020-greater-los-angeles-homeless-count-city-of-los-angeles>

get us to a comprehensive solution. We have gone through numerous lawsuits: Jones vs. LA; Lavaan vs. LA, Desertrain vs. LA; Mitchell vs. LA; Garcia vs. LA and now the LA Alliance vs. LA.² Our unhoused population and taxpayers can no longer afford this approach.

While the fact that each of the city's 15 Council Districts is vigorously attempting to house those living near freeways to comply with a preliminary agreement is a positive start, ultimately it doesn't come close to meeting the needs of unhoused Angelenos.

Underscoring the city's inability to address the homeless crisis are planning rules and regulations which serve as a barrier to getting people housed. On the contrary, some policies promote high-end housing developments that benefit wealthy developers and make it harder to provide housing for those who need it most. Wealthy developers can pay additional fees to effectively jump to the front of the Planning Department line, while homeless housing projects languish in the bureaucratic system.

Today, the City of Los Angeles lacks an overarching goal – a “North Star” – and a clear plan to address the homelessness crisis. Without a target at which to aim, a roadmap by which to guide, and a coordinated strategy by which to implement compassionate policies, Los Angeles' crisis will continue to fester out of control. It is our collective responsibility to the hardworking people of this city who have entrusted us to lead and govern Los Angeles to act with unrelenting urgency and provide a coherent vision to do everything in our power to finally give our unhoused neighbors a way home.

SETTING A CITYWIDE HOMELESS HOUSING GOAL

We are proposing an ambitious goal of establishing 25,000 new housing units for those currently experiencing homelessness by 2025.

Achieving this goal means taking a multi-pronged approach that includes a variety of tactics that address a spectrum of housing needs necessary to address the homelessness crisis. This includes building permanent housing, adaptive reuse, non-congregant temporary housing, rapid rehousing, and homelessness prevention. It calls for creatively leveraging the city's financial and land resources to house people with the urgency this problem deserves. This model means developing a system that can swiftly house individuals into an array of housing options.

In March 2020, the Los Angeles Homelessness Services Authority (LAHSA) released its Homeless Services System Analysis which examined our existing system and analyzed

² <https://www.courthousenews.com/coalition-sues-la-to-force-action-on-homeless-crisis/>

what it would take in order to functionally end homelessness in Los Angeles. The report, issued prior to the COVID-19 pandemic, states that the city would need to have 45,941 total units - consisting of temporary housing, rapid rehousing, and permanent supportive housing. Currently, the city has 24,539 units available. We are therefore introducing a motion that the City Council adopt a goal of 25,000 new units by 2025 to help dramatically expand the number of units of all types available to meet our needs understanding that a lot has changed since the report was published and the number of people living on our streets is likely to have increased.

STREAMLINING INEFFICIENCIES IN THE HOMELESS HOUSING DEVELOPMENT SYSTEM

To increase the availability of permanent housing units in the city, Los Angeles must accelerate the rate of housing construction and dramatically decrease costs. Currently, an average unit costs about \$531,000 to build and takes about 3-5 years for completion.³ This is entirely unacceptable and equates to an untenable rate of development which takes too long to meet the immediate and urgent needs of the city's unhoused residents. An essential part of dealing with this challenge is simplifying and expediting the city's post-entitlement permitting and implementation process.

Standard Pre-Approved Plans - In order to expedite the process and build affordable housing units with high volume in the City of Los Angeles, we propose to have Bureau of Engineering (BOE), Department of Building and Safety (DBS), Housing and Community Investment Department (HCID) and the Department of City Planning (DCP) develop a limited set of standard plans for modular multi-family homeless housing, Accessory Dwelling Units (ADUs) and affordable housing that cover all required disciplines including but not limited to architectural, structural, grading, mechanical, electrical and plumbing. These plans should be *pre-approved* by all relevant entities within the City of LA and made to meet standards set forth by the state and county along with the City of LA.

Streamlined Permitting - Affordable housing projects are expected to go through a lengthy permitting and approval process similar to market rate buildings within the City of LA. Even projects that qualify for a streamlined process can often be held up for months at any one step in the approval process, thereby holding up the entire project. The plan proposes that the Bureau of Engineering (BOE), Department of City Planning (DCP), Housing and Community Investment Department (HCID), Department of Transportation (DOT), Department of Water & Power (LADWP), and LA Fire Department (LAFD) be instructed to develop a shared process for a standardized cohesive review for

³ <https://lacontroller.org/audits-and-reports/high-cost-of-homeless-housing-hhh/>

any project deemed to be majority affordable or homeless housing and form a central coordination center. In addition, we will create a citywide ranking system for affordable and publicly funded housing projects which will be scored against measurable outcomes, such as per unit cost and total project count, to ensure priority review is allocated to those projects which will most quickly and cost effectively provide the greatest number of units.

Better Use of Public Land - In order to create more temporary and permanent housing options we must utilize our public land to its maximum potential. In order to do that, the city must do a thorough and speedy analysis of city-owned yards, shops, and usable space to best consolidate and make public land available for both temporary and permanent housing. In addition, we must work with the State, Federal and County government to secure public space.

We are proposing to improve the process for identifying usable space and General Services Department (GSD) leases by directing the Offices of the Chief Legislative Analyst (CLA) and Chief Administrative Officer (CAO), Department of General Service (DGS), Department of Recreation and Parks (RAP), Department of Water and Power (LADWP) and all city departments who own land to report back on underutilization of all city owned property and the feasibility of using them for temporary or permanent homeless housing. Unlike previous reports, these reports will be based on the technical, financial and legal feasibility, not on proposed future uses for any given properties.

Adaptive Reuse - With the rise in vacant buildings in the hospitality and commercial real estate sectors, adaptive reuse of existing underutilized structures provides a cost-effective model to meet the immediate need for permanent housing with the benefit of minimal environmental impact. We will work with partners and incentivize affordable housing providers to identify and utilize existing property through adaptive reuse to more rapidly meet our permanent housing goals.

Master Leasing - Vacant units in scattered-site buildings and properties throughout Los Angeles can provide an immediate source of permanent housing for unhoused individuals and families. A lease agreement between a non-profit or government agency and a landlord can also eliminate barriers for housing choice voucher recipients who have difficulty locating or establishing tenancy with landlords in the current marketplace. By identifying and contracting with organizations and companies with expertise in master leasing, the City can more readily meet the needs of the unhoused population in a cost-effective proven model which provides maximum flexibility to house individuals and small-to-large families.

GETTING TEMPORARY HOUSING ONLINE QUICKLY

Ensuring that the city house our unhoused neighbors immediately must be a priority for the City of Los Angeles. The city has begun to identify sites on which to build temporary non-congregant Pallet shelter communities and house hundreds of Angelenos within a few months while they wait for permanent housing opportunities to expand. We must do more of this quicker and in more parts of Los Angeles.

Re-Defining Requirements For Temporary Shelter - Part of the costs associated with building temporary non-congregant shelter are self-imposed. We are building temporary pallet shelters to the specifications of permanent housing structures which increase costs significantly and prevent the city from using the space to its maximum potential.

We are introducing a motion, using our emergency powers due to the pandemic, to create new guidelines and requirements for building temporary non-congregant shelter to make them available for occupancy quicker and at less expense.

Aggressive Expansion of Project Homekey - One of the most innovative programs rolled out by the State of California as a result of the Covid-19 pandemic has been Project Homekey. In order to meet our goal to create 25,000 new units, we need dramatic expansion of this type of acquisition program. Los Angeles must work with the state to secure more funds to expand the innovative Project Homekey program and ensure that we aggressively secure dollars in the next round of funding. However, despite the program's success, the city will still require significantly more units to meet the dramatic housing needs throughout the city.

Therefore, we are proposing to expand the city's existing Project Homekey program which aims to purchase motels and hotels where possible using our own city dollars and in addition, seek to operate additional identified properties under a master lease-to-own agreement which will ensure that the city does not have to front the entire building costs until we have the resources to complete a purchase.

STRONGER PROPOSITION HHH ACCOUNTABILITY

In 2016, voters passed proposition HHH which promised to construct 10,000 units of affordable housing. That housing has been slow to come on-line with far higher costs than anticipated and consequently, the program is behind on its goals.

What has become clear is that the current financing mechanisms for funding homelessness and affordable housing are broken. The blended financing currently relied upon to build such housing is hyper-competitive and too infrequently awarded, resulting in projects selected for HHH funds taking years to line up the remaining necessary funding.

Not only does blended financing cause unacceptable delays, it eliminates incentives for innovation and cost-containment. While the city may have instituted a strict award limit which averages \$136,000 per door, HHH projects are now averaging over \$500,000 per unit total - a high cost to the taxpayers for projects that are delivered way too far in the future to address the *current* crisis on our streets today. Voters deserve more and the city must regain the trust of the voters by being good stewards of the money they have entrusted its decision-makers to use to house Angelenos.

Clarifying the City's Commitment to HHH Projects in Pre-Development Phase - We are instructing that the City Attorney prepare a report to the Council within 30 days outlining clear legal options that the city holds to withdraw letters of commitment for Prop HHH funded projects which are currently in pre-development phase or whose developers have not yet entered into formal loan agreements with the city. This report should detail the steps necessary to initiate the process of withdrawing letters of commitment for pre-development projects that do not meet reasonable cost per unit and/or reasonable timelines.

Status of Current HHH Projects - In order for the Council to best make decisions based on the City Attorney's legal recommendation the city must have a thorough analysis of the status of all Proposition HHH funded projects. This plan requests that the Housing & Community Investment Department (HCID) be instructed to report to the Council on the status of all Proposition HHH funded projects so that Council can see how each project is performing on a schedule and budget basis. The report will compare each projects' initial cost per unit and schedule with the current cost per unit and schedule so that it can be clearly identified as a viable project or not. Additionally, this plan asks that the report include an update on the financing status of each project as well as reasons why projects are over budget and behind schedule. Finally, the plan calls for the Department of City Planning to report separately to Council on the required entitlements and status of entitlements of all HHH Projects within 30 days.

HELPING ANGELENOS STAY IN THEIR HOMES

An urgent and coordinated approach is needed to provide enough beds to meet the current demand for unhoused persons in Los Angeles. Even if these beds are created with urgency, homelessness is not a static problem. As we house those currently sleeping on the streets and in cars, far too many residents of our City remain at risk of falling into homelessness. Study after study has proven that prevention of homelessness is far more cost effective than rehousing after housing loss and preventing housing insecurity decreases the mental and physical stress which is increasingly being shown to be a contributor to early death within communities of color, especially within the context of COVID-19.

The Covid 19 pandemic has greatly exacerbated this pipeline of vulnerability. The City must proactively prepare for the fallout when the eviction moratorium ends, both to give residents peace of mind that the City will be ready to assist them, while also facing the grim reality that scant funding currently exists. Prior assistance efforts such as the City of Los Angeles COVID-19 Emergency Renters Assistance Subsidy Program while providing much needed relief had far less funding available than the needs of residents.

Creation of a Renter’s Protection Portal - Given our current crisis we should create a *renter protection portal* where residents can self identify the amount of back rent they owe and other needs now so the City will be able to prepare ahead of the end of the eviction moratorium in “triaging” assistance to those who will need the most help paying back rent and mortgages. Instead of randomized lottery systems, the City should develop a transparent and equitable program which prioritizes future funds to residents based on criteria directly correlated to the pandemic such as communities which rank highest on scales such as the Emergency Rental Assistance Priority Index,⁴ status as essential workers and households with children living below the poverty line to ensure distribution of funds is going first to the most vulnerable Angelenos, those who have been hit hardest by the COVID-19 pandemic and persisted through structural racism. Residents deserve to know in what tier of aid they will fall under at any given time and understand the available funding as it changes so they can plan realistically instead of standing by hoping to “win a lottery” of what is likely to be limited aid.

After development of the registry the City should work to coordinate with any existing programs for financial support from low interest loans to non profit funds to County support programs and use the known universe of need to provide accurate estimates and requests for funding needs to state and federal programs.

⁴ <https://www.urban.org/features/where-prioritize-emergency-rental-assistance-keep-renters-their-homes>

Support and Implement Best Practice Renters Housing Programs Currently

Underway: The Tenants Anti- Harassment Ordinance (Council File [14-0268-S13](#)) is nearly finalized. The speedy finalization of this program is urgent to ensure that the ordinance is implemented prior to the end of the eviction moratorium, and ensuring a rent rollback provision in cases of documented harassment. Additionally, the City must pledge its support to prioritize the long standing effort to ensure a Tenants' Right to Counsel ([CF 18-0610](#)). During this period of uncertainty, it is low-income tenants, women of color and families with children that comprise the most vulnerable populations at risk for eviction yet, 90% of tenants facing eviction do not have legal representation. City after city shows that the Right to Counsel for tenants at risk is a cost-effective way for keeping people in their homes. Without effective solutions such as this to help Angelenos stay in their homes we will continue with our current cycle of housing one person but seeing others go out on the streets.

PARTNERSHIPS

The City of LA's financial situation necessitates a creative and disciplined approach to ensure every dollar earmarked towards solving the homelessness crisis is used for housing and direct services for the unhoused. Our city must work closely with partners at all levels - government, private, and non-profit sectors - to ensure we are working in lockstep toward a unified goal.

Los Angeles County - A key component in addressing the City's homelessness crisis is adequate access to health and mental health services. The City does not maintain a health or mental health department and pays for the delivery of these services through a contractual agreement with the County of Los Angeles. Innovative housing solutions must be, in many instances, coupled with services in order to meet the underlying health needs and maximize housing retention rates for our unhoused community. City residents already pay into County Measure H, an initiative designed to pay for wrap around services connected to housing units for those in need. In order to further this effort, it is essential that we expand agreements with the County of Los Angeles wherein the City funds a portion or all of the capital costs and the County covers costs for direct services.

State of California - Recent projections have highlighted that the State of California is expected to have a \$26 billion revenue windfall. The most populous city in the state is currently facing an unprecedented budget deficit while simultaneously facing a devastating homelessness crisis. Local officials must work with state leaders to draw down some of those resources to mitigate the homelessness crisis during the pandemic or risk delaying our long term economic recovery. The city will press for the state

legislature and the Governor to prioritize cities as they craft the next budget. Specifically, Los Angeles needs:

- An expansion of the successful Project Homekey which would allow the City of LA to continue purchasing vacant buildings and motels with urgency.
- For the legislature to expand No Place Like Home, which was passed in 2016 and is already funding thousands of units across California.
- For the legislature and Governor to provide funds for direct rent relief to prevent evictions and future homelessness.
- Additional streamlining of state regulations to facilitate the construction of affordable and other forms of housing
- Implement the recommendations in the recent State Auditor report on affordable housing.

Federal Government - Our Federal government has a huge opportunity to step up and ensure that Angelenos have access to housing and to ensure that those who are currently housed have the ability to stay in their homes. The city will work with our Federal government and the new administration to:

- Expand housing choice vouchers and make supplemental capital investments
- Expand Project Based Section 8 buildings and advocate to eliminate the 20% ceiling on new PBS8 structures for homeless populations
- Dedicate funds specifically towards paying off back rent for hundreds of thousands of Angelenos currently facing mounting debt and on the brink of eviction.
- Additional direct aid to cities to mitigate the economic impact of Covid-19 which will help the City of LA fend off potential layoffs and ensure that all housing projects don't fall behind.

Leveraging partnerships with banks, foundations and nonprofits to help with funding - Banks, under the federal CRA requirements should assist in low-cost financing to build important projects. These public-private partnerships, combined with foundation support to match federal, state and local taxpayer contributions, will allow the city to develop these projects more quickly.

MOVING FORWARD TOGETHER

The challenge before all of us may seem daunting and potentially overwhelming. However, we must not let the prospect of failure deter us from confronting head-on the urgent social and moral imperative facing us. We are reminded every day of the human

pain and suffering in our streets as we go to work, to the store, or to simply walk around our neighborhood with our children. We are simply unable to turn a blind eye.

Our human instinct to help and support those in need is very much alive in every Angeleno. We share a common desire to change the course of this crisis and ensure that our unhoused neighbors - including many families and veterans - have safe and affordable housing opportunities that will restore not just their personal dignity, but our collective dignity as a modern, humane society.

It is in that shared sense of purpose that we can come together, through commitment, ingenuity, and fortitude to ensure our unhoused community members have a direct path to **A Way Home**.