



United to
House LA

Abridged Program Guidelines for Measure ULA Funding Programs

**Drafted by Area Experts Throughout ULA Coalition
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Full copies of guidelines available in appendix

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INTRODUCTION

Drafted by homeless service providers, affordable housing nonprofits, labor unions, and renters' rights groups, Measure ULA will create an unprecedented funding stream for affordable housing production and homelessness prevention in the City of Los Angeles. Over [200 organizations](#) signed on in support of the movement, which earned nearly 58% of the vote in November of 2022.

This coalition remains active in the implementation of Measure ULA, and has pulled together experts from over 140 organizations to draft the proposed program guidelines in this document. These guidelines will ensure that every dollar spent through Measure ULA closely follows the ballot measure's language and the original intent of this coalition, providing a clear path forward to address the immediate housing needs in our communities and create a long-term, transformative vision for housing justice in Los Angeles.

MEASURE ULA STEERING COMMITTEE ORGANIZATIONS



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MULTIFAMILY TAX CREDIT DEVELOPMENT PROGRAM

Major themes below include delegating authority to staff, and providing high loan amounts and as much flexibility as possible in leveraging requirements.

1. Eligibility

- a. Applicants must demonstrate a history of affordable housing development and/or affordable housing property management experience. Community Land Trusts (CLTs) and Limited Equity Housing Co-ops can gain necessary experience by partnering with an experienced non-profit.

2. Delegated Authority

- a. City Council should be consulted only for approval of program guidelines in collaboration with the Citizens Oversight Committee, full LAHD control thereafter

3. Early, Flexible Local Commitment

- a. Funding should be allocated over the counter, whenever possible
- b. If Notice of Funding Availability (NOFA) structure is used, NOFAs should be released a minimum of two times a year, with calendar regularity
- c. Highest loan amounts possible, ~\$350K per unit, adjusted over time to inflation
- d. Flexible local commitment: either fully fund projects locally or can be leveraged more heavily at state level, depending on project
 - i. If money is put into Managed Pipeline, eliminate scoring which awards projects for having committed funds to allow ULA dollars to be an early local commitment
- e. Rather than the City giving an award based on the need, LAHD could fully fund a project with the expectation that the developer will apply for other leveraged sources.
 - i. In order to balance both streamlining and leveraging, LAHD could request that developers apply to at least one round of other funding
 - ii. Developers would identify what leverage source would fit the project. If successful, LAHD can then reduce the local amount.
 - iii. Because homelessness is an emergency, projects with at least 40 units of permanent supportive housing could be absolved of any leverage requirement

4. Gap Funding

- a. This pot of funding could have a gap funding set aside, to be allocated to projects on a rolling basis at any time during the year.
- b. LAHD would have to develop strategies to vet projects and invest funds wisely

5. Target & Rental Subsidy

- a. If there is a lack of project-based vouchers, this program area should be coupled with funding for operating subsidies, especially when LAHD requires construction of deeply affordable units
- b. The ULA coalition has submitted a recommended program for ULA's operating subsidies money, which pools funds into an insurance pool, coupled with tenant-based voucher assistance that can be reviewed later in this packet.

6. Labor Standards

- a. Applicants are made aware of and commit to adhere to the labor standards in the language of Measure ULA.

ALTERNATIVE MODELS FOR PERMANENT AFFORDABLE HOUSING

Program Goals: The Alternative Models for Permanent Affordable Housing program of House LA seeks to develop housing at scale through a process that is CERTAIN, FAST, FLEXIBLE, and PERPETUAL. The program will also cultivate RESIDENT LEADERSHIP and deploy PUBLIC LAND whenever feasible. With funding that House LA will have available after all tax credit resources are leveraged, the Alternative Models program is a bold and innovative approach to addressing the affordable housing crisis in Los Angeles, diversifying and enhancing efforts to ensure that Angelenos have a role in and access to healthy, stable, and permanently-affordable housing.

Eligibility Requirements: To be eligible for the program, developers must have experience in comparable affordable housing, have capacity to support tenant leadership and ownership alternatives, and establish a formal and co-beneficial partnership with a community based organization such as a tenant organization, a community land trust, or an emerging BIPOC developer. Long-term ownership and management of the housing must be by a public agency, non-profit affordable housing organization, Community Land Trust, and/or through limited-equity ownership by residents. Property Managers must have experience with comparable projects, and state how capacity to manage resident ownership will be incorporated into the property management team. Applicants are made aware of and commit to adhere to the labor standards in the language of Measure ULA.

Eligible Projects: New construction projects must be 40 units or more. The program will provide flexibility through a range of affordability, incl. reaching deeply to meet community needs by incorporating 20% Acutely Low-Income (ALI) and/or Extremely Low Income (ELI) units; while allowing for up to 20% market-rate units may if it supports the financial feasibility of the ELI/ALI units higher income units. There will be a 10% special needs requirement across the full portfolio, with 25% as a requirement if operating assistance is available. With the goal of creating scale, the minimum density should be 90 units/acre. Adaptive Reuse projects will have the same income requirements and special needs goals, and although such projects will not have a minimum project size, cost efficiency should be a factor in project selection. All projects must be in compliance with labor standards, and any acquisition of existing properties should not be advanced with the aim of skirting labor provisions.

Program strategies and procedures: In order to increase certainty, funding is based on meeting program thresholds, with either a non-competitive rolling application process, or if the fund is oversubscribed, with three to four NOFA rounds annually with prioritization applied to enhance alignment with the Measure's goals. Project speed is enhanced through a sole public financing source model, possibly paired with private equity, debt and/or other non-competitive funding sources as appropriate, and including operating support as appropriate/necessary. Funding will be available to projects beginning in predevelopment and continue through the construction and permanent phases as a grant and/or deferred payment loan. The minimum grant and/or loan size is \$1M, and the maximum grant and/or loan size is \$50M unless approved by City Council for greater. The maximum assistance per unit is \$600,000 for ELI & ALI, \$500,000 for very low-income (VLI), and \$400,000 for low-income (LI). Assistance limits to be adjusted by annual Consumer Price Index (CPI), and as needed based on construction cost changes. Permanent loans should be provided at 3% simple interest, deferred for 45 years. Funding assistance should be able to accommodate any of the ownership structures allowed under the program.

Resident Leadership: Through the Alternative Models, residents will have a meaningful voice in the management and ownership decisions of the properties where they live. For both Rental and Ownership properties, the developer is required to prepare a Resident Management Plan that meets minimum engagement activities related to predevelopment, leasing/sales construction, resident council, and resident training. The developer/owner should partner with a citywide resident-ownership and -management resource collaborative that is resourced through House LA's Capacity-Building for Tenant Ownership funding for training and support.

ACQUISITION AND REHABILITATION OF AFFORDABLE HOUSING

Program Goals: Sixty-three percent of Angelinos live in rental housing, almost all of them in homes that have no affordability covenants. Those who are in “naturally occurring affordable housing” are at the highest risk of displacement and homelessness when those properties go onto the market. Particularly in gentrifying neighborhoods, in areas adjacent to robust transit infrastructure, and in high opportunity places with vibrant commercial districts and plentiful jobs, property owners are motivated to maximize profits by getting folks out of rent-controlled units, allowing them to reset to higher rents through vacancy decontrol. It is often only at that point that property owners who have been extracting profit from their buildings by deferring maintenance finally invest in upgrades – for the benefit of new renters, not the long-standing renters that lived in worn and unhealthy conditions, often for decades before their displacement. House LA’s Acquisition and Rehabilitation of Affordable Housing program (Acq/Rehab) is designed to address the precarious position of these vulnerable households through a new program that acquires and rehabilitates older rent-stabilized housing stock, protecting them in perpetuity from speculative real estate practices through permanent affordability covenants, including structures of resident participation in building management and operations, and advancing racial equity by creating a pathway to tenant ownership.

Program Structure: The Acq/Rehab program will provide funding to eligible entities to acquire and rehabilitate housing units, with the principal goal of removing Naturally Occurring Affordable Housing (NOAH) and properties with expiring affordability covenants at risk of converting to market-rate housing permanently from the speculative market by establishing public, non-profit, community and/or tenant ownership. The program will contract with an outside party as a Fund Manager to increase responsiveness to market pressures and to ensure expeditious, goal-aligned fund dispersal. Through rapid acquisitions and at a comparatively low per unit cost, the Acq/Rehab Program can show rapid gains through the deployment of ULA dollars, influencing public perception of the Measure’s success. By utilizing an outside Fund Manager – a CDFI or a financial intermediary – the City can externalize staffing costs and reserve ULA administrative funding and under-resourced Department staff time for other programs, as well as deploy ULA funding at the necessary speed to buy buildings in gentrifying markets. By advancing a NOAH Acq/Rehab program, LA will be joining the efforts of the State, San Francisco, and Oakland in developing programs that support small site acquisitions and fund community/tenant ownership options.

Eligibility and Threshold Requirements: The Fund Manager, Project Sponsors and projects must all meet specific eligibility requirements; and in addition, each project must meet certain threshold requirements:

- **Fund Manager:** Has experience servicing grants and loans in accordance with program goals.
- **Project Sponsors:** Eligible entities, which may be a Community Land Trust, a Limited Equity Housing Cooperative and/or a non-profit affordable housing organization, are pre-qualified by the Fund Manager based on experience criteria including comparable building type and resident engagement/management. Qualifications may be met through partnerships to encourage the growth of newer affordable housing developers.
- **Project Types:** Acquisition, preservation, rehabilitation, lease, or operation of affordable housing, including rent-controlled properties, LIHTC properties approaching end of compliance that are planning tenant ownership and will not be resyndicating, residential hotels, accessory dwelling units, junior accessory dwelling units, and unpermitted dwelling units.
- **Threshold Requirements:** All projects must meet specific threshold requirements to ensure targeting and anti-displacement of residents. All units will be subject to a recorded covenant that establishes permanent affordability. No residents in place at the time of acquisition can be displaced.
- **Labor Standards:** Applicants are made aware of and commit to adhere to the labor standards in the language of Measure ULA.

Program strategies and procedures: The city will select a Fund Manager, and review/approve all program implementation plans and procedures in advance. Details include:

- The Fund Manager prequalifies entities, awards projects, and oversees grants/loans.
- The Fund Manager will prequalify entities, award projects, and oversee disbursement grants; and will be responsible for ensuring that the program is expeditious and goal-aligned.
- Fund Manager receives and reviews project proposals on a rolling basis, applying threshold criteria, and in the case of a competitive applicant pool, may score projects with predefined metrics to prioritize those advancing program goals and commitments to racial equity.
- In addition to grants, the program may use a regenerative loan structure that can be used to support long-term development and sustainability.
- Developer/owner should partner with a citywide resource collaborative center (such as House LA's Los Angeles Housing Training Hub) for training and resources to advance resident development and ownership opportunities.

HOMEOWNERSHIP OPPORTUNITIES

In an effort to increase housing stability across all parts of the housing continuum, downpayment assistance for single-family home purchases shall (can) be set aside for BIPOC prospective homebuyers.

Requirements

- All prospective homebuyers seeking to access these funds will be required to attend a HUD-certified homebuyer education course with an agency located in the City of Los Angeles.
- Considering the cost of single-family homes and condominiums in the city of Los Angeles, families seeking downpayment assistance from this source of funding will be allowed to have an income of up to 80% of the Area Median Income.
- Prospective homebuyers that are interested in purchasing 2-4 unit properties will be required to occupy at least one of the units and complete landlord training to access funding through this source.
- Prospective buyers that purchase small multifamily properties will have to comply with tenant protections, and provide their tenants or non-profit organizations the opportunity to purchase if and when the properties are put up for sale.

Program Logistics

- As a result of increased activity in homeownership education and counseling, the City of Los Angeles shall pursue contracted partnerships with HUD-approved homeownership counseling agencies and Community Development Financial Institutions (CDFIs) located within the City of Los Angeles to administer and distribute downpayment assistance funding.
- Funding from this source shall be used for downpayment assistance, and closing costs.
 - Prospective buyers can apply for loans up to 20% of the purchase price and receive a grant for up to 10% of the purchase price based upon income eligibility.
 - Prospective buyers are required to contribute 1% of the purchase price from their own funds. An example of a proposed financing structure is as follows:
 - Purchase price: \$700,000
 - Buyer Downpayment: \$7,000
 - Loan: \$140,000 (deferred, due on sale, title transfer, first mortgage repayment, or in 30 years)
 - Grant: \$70,000
 - Mortgage Amount: \$490,000
 - Monthly Payment: \$3,203 with 30 year fixed @ 6.825% (does not include taxes & insurance)

CAPACITY-BUILDING FOR TENANT OWNERSHIP

Under the House LA Alternative Models program, developments are required to give residents “the right to participate directly and meaningfully in decision-making concerning the operation and management of the project,” and, where feasible, offer programs for resident ownership. House LA’s Acquisition and Rehabilitation program has similar language regarding resident engagement in management, and specifically requires that conversion to ownership by the residents be permitted.

These stipulations will require new infrastructure. House LA is equipped to provide Capacity-Building for Tenant Ownership resources to accomplish this. The program guidelines for Capacity-Building provide a funding plan, either through grant funding or an on-going contract with LAHD, to be implemented as follows:

- 1. A citywide resident ownership and management resource collaborative (being developed by local organizations as the “Los Angeles Housing Training Hub”), will:**
 - a. *Provide training*
 - i. Programs for community organizations, residents, developers, and building owners/property managers to learn about alternative and limited-equity ownership models
 - ii. Programs and/or resources on alternative governance models that provide residents with decision-making roles and increased transparency
 - iii. Programs for both rental and ownership projects
 - iv. Tools, templates, models, and models with an overall focus on training and education for both tenants and resident-owners
 - v. Support the creation and operation of Resident Councils, which can play a decision-making role in the operations of their buildings, with funding and training in organizing, mediation, and conflict resolution
 - b. *Be formed and vetted by LA-based, housing-oriented community organizations which are focused on advancement of low-income BIPOC populations, including but not limited to tenant rights organizations, tenant unions and Community Land Trusts.*
- 2. LAHD should partner with and utilize the collaborative to implement a monitoring and compliance system that is integrated with the above training activities, to:**
 - a. *Evaluate activities on an annual basis, at a minimum*
 - i. Ensure the collaborative (The Hub) and LAHD are both co-learning about resident management/ownership best practices
 - ii. Gather information about developer/owner participation in the program
 - iii. Develop accountability systems to assess the impact of the overall program
 - b. *Monitor Compliance*
 - i. LAHD should contract with the collaborative to:
 1. Monitor regulatory agreements to ensure compliance with affordability and other requirements
 2. Ensure long-term sustainability of resident owned/managed properties
 3. Engage with residents and resident councils during evaluations
 4. Coordinate with training activities identified in previous section

OPERATING ASSISTANCE

Problem

- Lack of operating assistance/rental subsidy creates a bottleneck in affordable housing production
- This is exacerbated by a persistent lack of project-based vouchers (PBVs) made available by the federal government
- All types of building approaches financed by Measure ULA will require some form of operating subsidy
- The Measure only dedicates approximately \$40M annually to operating assistance

Solution: Measure ULA's Flexible Operating Assistance Proposal

The ULA coalition's proposed guidelines on operating assistance involves two approaches. The funding amounts dedicated to each approach will take more time to determine.

- *Tenant-Based Voucher Backstop*
 - Gap-financing tool that would guarantee the coverage of operating costs in the event that a unit dependent on tenant-based rental subsidy becomes vacant.
 - Under this model, the ULA operating subsidy dollars would act as an insurance pool, or "backstop," until the unit can be filled.
 - Brilliant Corners administers an existing TBV Backstop program at LA County in collaboration with the Department of Health Services.
 - Program administrators dip into the backstop pool if a vacancy lasts more than 60 days, and the Department of Health Services refers tenant-based voucher holders to any units that become vacant.
 - Advantages:
 - Stretches ULA operating subsidy dollars further
 - Reduces risk associated with tenant-based vouchers if a tenant moves
 - Decreases reliance on project-based vouchers, which are scarce
 - Increases housing placements for tenant-based voucher holders
 - Outreach demonstrated backstop concept is well received by both developers and lenders, although the ULA coalition recognizes that it will require effort to scale up
- *Conventional Rental Subsidy*
 - Alternative Models & Acq/Rehab programs may require conventional rental subsidy, outside of backstop
 - Alternative Models guidelines will require 10% of its units across the portfolio to be permanent supportive housing, which requires more operating assistance to cover rents
 - Additionally, Acq/Rehab projects will have existing tenants in buildings that fall into ALI or ELI categories but do not have vouchers
 - At this time, Coalition is not certain how much conventional rental subsidy it will be required, because it depends on how much revenue the tax creates in a given year, and how many units the program produces.
 - It will take more time to determine how the funding will be divided between the Backstop and conventional rental subsidy program.

SHORT-TERM EMERGENCY ASSISTANCE

What is Measure ULA's Short-Term Emergency Assistance?

Below is the Measure ULA initiative definition of Short-Term Emergency Assistance:

"Short-Term Emergency Assistance. Five percent of the House LA Fund-Programs shall be annually allocated to provide short-term emergency funding to tenant households at risk of becoming homeless. Funds will stabilize low-income tenants at risk of losing their housing due to one-time economic shocks and may cover the entirety of rent payments for a short-term period of up to 6 months. Priority eligibility shall be established for lower income households."

Who Will be Impacted by Short-Term Emergency Assistance?

Tenants that are eligible for Short-Term Emergency Assistance will be able to access this emergency assistance. The following are proposed guidelines for Short Term Emergency Assistance:

1. Renter of residential rental property living within Los Angeles city limits;
2. Household income must be below 80% AMI*; and
3. Description of one-time economic hardship or shock.

In addition to the initial tenant eligibility criteria, LA City RAP requires the following:

- Employees of contracting providers and their direct family members are ineligible for rental assistance; and
- Presumption of ineligibility for applicants allegedly renting from immediate family relatives living in the same household or living in another property owned by the family relative.

What Are the Issues to be Determined With Short-Term Assistance?

- We recommend short-term assistance to be distributed through a decentralized system in which a specific number of agencies will provide rental assistance and have database access to better assist tenants rather than providing short-term assistance through one agency or entity.
 - A centralized entity will produce the payments and may finalize assistance applications.
 - Contracting with various community based organizations throughout the city to provide technical assistance and access for tenants to apply for rental assistance.
 - We recommend a stand alone program since the annual amount of assistance (30-40 millions) is too large to integrate with any existing rental assistance programs. Perhaps creating a pre-eviction diversion program can be developed to reduce the number of LA city evictions.
- We recommend the short-term assistance be flexible by allowing the 6 months assistance to be applied either for arrears or prospective rent. In addition, allow assistance for other expenses to maintain housing.
- We recommend providing rental assistance once a year, if the household rental assistance request reaches the maximum 6 month allotment.
- We recommend the continued practice to pay landlords directly and require a signed W-9 form unless the City will not require oversight for rental payments directly provided to tenants in situations when a landlord fails to cooperate or participate. Providing oversight of these payments would create a heavy administrative burden and cost on the agencies providing short-term assistance.

INCOME ASSISTANCE FOR SENIORS AND PERSONS WITH DISABILITIES

According to original projections, the House LA Fund could generate a total of \$875M per year, or roughly \$80M annually for Senior and Disabled Income Assistance. Regardless of the amount, the City of L.A. should leverage this funding to create a Senior & Disabled Housing Stability & Income Assistance program that (1) responds to the urgent, life-shortening crisis facing current seniors experiencing homelessness; and, (2) uses existing evidence-based prevention infrastructure and tools to target cash assistance toward the senior and/or disabled households at highest risk of experiencing homelessness.

Component One: Homeless Resolution Program for Seniors (at most 40%)

A significant portion of the funding should be used as an immediately available and flexible resource to bring seniors safely inside (first-in) while identifying longer-term voucher and/or housing solutions. As alternative solutions are identified, the client's funding source should be switched and we should reuse the remaining ULA funding for the next homeless senior (first-out). A "First-In/First-Out" approach will resolve the immediate need for safe housing through a targeted Time-Limited Subsidy (TLS) program and/or wrap-around Flex Funds. Participant eligibility should focus on their age and homeless status. Eligibility should not depend on disability type, their ability to perform Activities of Daily Living, immigration status, or criminal background.

1. The TLS program should model itself on HUD's Section 202 vouchers – individuals aged 62 and older can access the voucher until the voucher is no longer needed or the participant passes on.
2. Flex funds can be used to close gaps in an individual's housing stabilization plan (like hefty deposits). Seniors able to live independently or in shared housing should be transitioned to the cash assistance program (Component Two) as a viable exit strategy from Component One of the program.

Component Two: Targeted Cash Assistance Based on Need (at minimum 50%)

Predicting who will become homeless is challenging and requires evidence-based tools and clear pathways for people to either self-identify or be proactively identified through predictive modeling. Fortunately, by leveraging existing infrastructure, the City can expedite its impact on at-risk senior and disabled residents by leaning on the Prevention Targeting Tool (PTT) and expanding LA County's Homeless Prevention Unit to proactively identify the City's most at-risk senior and disabled residents. With those evidence-based tools in place, the City can use a debit card partner to transfer \$500-\$800/month in *Direct Cash Assistance Based on Need* to help seniors close the gap between their limited incomes and the escalating cost of housing. Proactive (Prevention Targeting Tool) and Predictive (Homeless Prevention Unit) targeting will ensure the most evidence based tools are used to determine the most eligible participants for the program. Modeling the method of payment after the California Middle Class Tax Refund (MCTR) program or the City of Santa Monica's POD program through a debit card system with a separate account for each participant, the City can maximize effectiveness while minimizing the impact on a participant's existing federal, state, or local benefits.

EVICTION DEFENSE/RIGHT TO COUNSEL

A. What ULA funds are expected?

1. 10 % of the Homelessness Prevention Bucket.
 - a. Projected Dollar Amount for FY2024 = \$61,824,000

B. What is a Right to Counsel?

1. Attorney representation of eligible tenants who are sued by landlords for unlawful detainer (eviction)

C. What is the goal?

1. All eligible tenants offered an attorney to represent them in unlawful detainer (eviction) proceedings within 5 years, with the result that tenants can either stay in their homes or achieve a settlement that permits them to find new housing.

D. Who is eligible?

1. Lower-income households (80% area median income and below) in the City of Los Angeles
 - a. 80% AMI for a family of four is \$95,300 annually
2. Within covered zip code during phase-in

E. How will it be achieved (overview)

1. 5 year phase-in by zip codes, based on vulnerability index and geographic diversity
 - a. Court representation for tenants in covered zip codes
 - b. Limited legal assistance for tenants outside covered zip codes in years 1-4.
 - c. Workshops available for all (see Tenant Outreach & Education)

F. How will it be Implemented

1. LAHD or its designee shall implement and oversee the provision of eviction defense and prevention legal services.
2. Full Scope Legal Representation shall be phased in by zip codes during a period of time that is approximately 5 years, in a manner that LAHD determines appropriate, based on all relevant factors including:
 - a. the prioritization of certain groups of vulnerable individuals in zip codes, or other additional criteria or metrics developed by LAHD in collaboration with legal service providers and community based organizations who provide eviction defense and prevention services.;
 - b. the availability of funding from all sources;
 - c. the availability of trained and qualified attorneys to provide legal representation;
 - d. geographic considerations vis-a-vis shared zip codes with other jurisdictions;
 - e. the scope of the need for legal representation; and
 - f. any other appropriate logistical consideration.

TENANT OUTREACH AND EDUCATION

Providing residents with access to education and outreach will help mitigate and reduce the serious threats to the public health, safety and general welfare of residents in Los Angeles caused by the displacement and eviction of thousands of Angelenos. To address this array of concerns, House LA will allocate a projected \$16 million of annual funding to support tenant outreach and education with the following goals:

- Educate tenants about their rights to prevent displacement and eviction
- Empower tenants to assert their rights through providing an array of services including brief to comprehensive tenant navigation, in which a tenant continues to receive sustained support to address their immediate issue.
- Prevent and reduce homelessness by connecting residents to resources such as rental assistance, wrap-around services, supportive services.
- Maintain and preserve the current affordable housing stock, by informing tenants of their rights, how to seek repairs, file complaints with the City and address code violations, and more.

House LA funding will support the following work:

1. Eviction Prevention via Stay Housed L.A.

- a. **Public Awareness:** City-wide multilingual campaign to educate residential tenants about their rights, responsibilities, and available services
- b. **Outreach:** Phone & text banking, canvassing, flyer distribution, door-to-door outreach to tenants about renters rights, responsibilities, and available services
- c. **Education:** Inclusive workshops, clinics, other educational events on related housing and tenant rights' topics
- d. **Public Events:** Inclusive public events that offer childcare, food, multi-lingual materials, and other resources
- e. **Tenant Navigation:** Assistance to tenants navigating housing rights and broader legal system through Q&As, paperwork help, referrals, and connections with legal services

2. Topics for education should include, but not be limited to:

- a. Eviction and Court Process
- b. Landlord Harassment
- c. Habitability and Code Enforcement
- d. Section 8 Housing
- e. Informal Housing

3. Eligibility:

- a. This work will focus on tenants in the City of Los Angeles, not landlords. Additionally, any subcontractors engaged to complete this work must be approved by the Stay Housed LA Steering Committee and ULA Citizens Oversight Committee.

PROTECTIONS FROM TENANT HARASSMENT

Section 22.618.3(d)(2)ii.c. of House LA, which establishes the Protections from Tenant Harassment Program, is designed “to fund non-profit organizations and City services to monitor and enforce protections against tenant harassment and other tenant rights, and to inform tenants of such protections and support them in exercising their rights.”

Recommendation: As close to 70% of Program funds as possible should be spent directly by the City of Los Angeles.

Los Angeles Housing Department

LAHD should create a Tenant Anti-Harassment (TAH) division as part of its Regulatory Compliance and Code Bureau. TAH should employ Investigators, similar to Code Enforcement, to assess reports of harassment and make determinations about whether conduct that violates the City’s Tenant Anti Harassment Ordinance occurred. TAH should work in conjunction with the RSO, CE, and Compliance divisions. TAH should refer identified harassment to the City Attorney or nonprofit grantees for enforcement.

City Attorney

The City Attorney shall establish a division or unit dedicated to bringing criminal or civil lawsuits under Tenant Anti-Harassment Ordinance (TAHO).

Recommendation: As close to 30% of Program funds be spent on programs led by nonprofit organizations.

Legal Services Provider Grants

LAHD should award grants to LSPs, as defined in the Eviction Defense/Prevention Program, to support them enforcing TAHO. Grants should last 3 years, but grantees should get wind-down funds if they don’t receive another 3 year grant. The grant should provide funding to the Legal Service Provider to 1) provide full-scope legal representation to tenants in filing lawsuits against landlords for violations of TAHO; and 2) provide limited-scope services to tenants, such as advice & counsel, assistance with filing complaints, and providing referrals.

Community Based Organization Grants

LAHD should award grants to Community Based Organizations (CBOs), as defined in the Eviction Defense/Prevention Program, to support education about and enforcement of TAHO. Grants shall similarly be 3 years with wind-down funds available. The grant should provide funding to the CBO to 1) educate tenants about TAHO via clinics, workshops, and online resources; 2) assist tenants with filing complaints; and 3) support tenants experiencing harassment as they assert their rights. CBOs should work to partner with LSP grantees to coordinate efforts. The Department should explore modeling the CBO grants after the REAP/UMP Outreach Contractor program.

Appendix A

Multifamily Affordable Housing Full Program Guidelines

Overall Objective

Guidelines for this program area should remain consistent with the ballot measure's language and funds from this area of ULA's program should be dedicated to efficiently produce affordable units.

Intention Setting: Equity

United to House LA was created to make Los Angeles more equitable. For that reason, the final guidelines of the Multifamily Affordable Housing program area should be designed with racial equity in mind and engage in the following practices:

- Anti-displacement/eviction measures
 - For new construction, production of more units than demolishing at a ratio of 2:1
 - Developers should consider income targeting and household sizes of returning population, if building units for an existing population to return to.

- Stakeholder Engagement
 - The ULA Coalition would like the community to feel like they are part of the projects this program creates, that they are informed, and do not feel intruded upon
 - Particularly, the Coalition wants to listen most to the voices of the populations these developments are serving, to welcome these communities to be part of the process, create spaces that are comfortable to them, and include them in design of the neighborhoods
 - For these reasons, these guidelines should require projects to submit community engagement plans, that may include:
 - Contacting community-based organizations
 - Community meetings
 - The development of tools to keep community members informed about projects and their progress
 - The Coalition is interested in partnering with LAHD to design requirements that are not so onerous that they slow down development, but can still ensure projects financed by ULA are sensitive to the communities they are in.
 - We hope to have more meetings with the Department on this topic moving forward.

- Commitment to desegregation
 - Guidelines that encourage construction of affordable housing in high-opportunity areas, while keeping a balanced allocation of funding throughout the City, including in disadvantaged communities

Eligibility

- Applicants must demonstrate a history of affordable housing development and/or affordable housing property management experience to be eligible for Affordable Housing Program funds
 - CLTs and Limited Equity Housing Coops can gain necessary experience by partnering with an experienced non-profit.
 - LAHD can develop other experience requirements as needed.
- Developers that can construct minimum 40-unit buildings through tax credit program that are 100% affordable, matching Measure ULA's ballot measure language on eligibility criteria
- LAHD should create tailored eligibility criteria depending on funding process (i.e. more strict for over-the counter funding than competitive)

Delegated Authority

- City Council should be consulted only for approval of program guidelines in collaboration with the Citizens Oversight Committee.
- Thereafter, the Los Angeles Housing Department should have fully delegated authority to issue Notice of Funding Availability, accept applications, and make funding/award decisions without City Council approval.

Local Commitment, Funding Frequency, and Subsidy Amounts

- Because Measure ULA represents a new injection of funds outside of the current affordable housing ecosystem, this is a chance to create a nimbler system for financing these projects.
- The funding from this program area should be used as a flexible local commitment, either to fully fund projects locally or be leveraged more heavily at the state level, depending on the project.
 - Generally, projects that are competitive for state programs would expect to leverage local funding and regulations could be tailored for that
 - Projects that are not as competitive would have higher subsidy at local level because they're less suited to gain money at state level
 - Projects should still be vetted to meet City housing priorities
- Whenever possible, funding should be committed over the counter for projects, similar to how the Community Redevelopment Agency was structured, based on specific and non-discretionary criteria determined by LAHD. Projects that do not meet the criteria should have an opportunity to obtain funding awards through a separate competitive process.

- If a NOFA model is used, LAHD should release it with calendar regularity, at least twice per year. Schedule should be consistent year to year. Regulations should be opened for public comment at least once per year.
- If ULA money is injected into the Affordable Housing Managed Pipeline, scoring which awards projects for having other committed funds should be eliminated, to keep true to ULA's goal of utilizing its funds as an early local commitment.
 - As an early source of funding, this program area could also be dedicated to acquisition/pre-development costs.
 - Could save money on interest and extreme organizational strain
 - LAHD would have to work through how best to vet applications, NYC, SF manage to do this.
- To incentivize streamlining and ensure ULA is productive quickly, maximum subsidy amounts should be set high. Developers can then take ULA money and then quickly move on to tax credits and construction. A similar structure in San Jose set subsidy amounts at \$350,000 per unit.
- This would have to be adjusted annually for inflation and to address other systemic changes to cost, like that of building materials. LAHD could also consider flexible loan limits based on depth of a project's affordability—similar to HCD's loan limit structure. LAHD might also include a per-unit or per-bedroom funding boost for projects in high opportunity neighborhoods.
 - Rather than the City giving an award based on the need, LAHD could fully fund a project with the expectation that the developer will apply for other leveraged sources. Developers would identify what leverage source would fit the project. If successful, LAHD can then reduce the local amount.
 - In order to balance both streamlining and leveraging, LAHD could request that developers apply to at least one round of other funding. For example, if the developer has one unsuccessful application for other sources, then the developer gets a full local subsidy amount, up to \$50 million maximum (approximately 140 units @ \$350,000 per unit).
 - Because homelessness is an emergency, projects with at least 40 units of permanent supportive housing could be absolved of any leverage requirement so that they can proceed as quickly as possible.
 - LAHD would also have to develop requirements to ensure that this supportive housing is high quality, including things like healthy case manager ratios, higher reserves, etc.
 - To support efforts to obtain maximum state resources, LAHD could contract with a third party to vet projects for leveraging viability, readiness, state-level competitiveness, development timeline, etc. and make funding decisions based on this information.
 - This system could allow greater local subsidy to move projects through faster, while ensuring that state funding for the City of LA is not left on the table.

Approvals

- LAHD could develop a pre-approval process rather than re-underwriting a developer for every round.
 - For example, if projects meet a certain set of general requirements, they could be pre-approved for fast track/over the counter processing. Non-pre approved, or projects that don't easily fit those criteria would go through more rigorous approval.
 - At a minimum LAHD should only require compliance checks once or twice yearly per organization. Once compliance is approved, this should stand for a calendar year, as opposed to being checked on a per deal basis.

Funding for Projects on Publicly Owned Land

- If the City is disposing of publicly owned land through a Request for Proposals, the land awarded should come with funding from this program area to minimize risk for the project. This will also help streamline the development timeline for the given project.

Gap Funding and Accelerating the Pipeline

- ULA could help institutionalize the gap funding that LAHD has done in the past, providing more funding for projects that previously received awards and need more money to begin or finish construction.
- ULA funds could have a gap funding set aside, to be approved on a rolling basis at any time during the year, not through rounds of funding.
- City would have to develop strategies to vet projects and ensure gap financing is invested wisely.

Targeting and Rental Subsidy

- In the event there is a lack of project based vouchers, ULA money from this program area should be coupled with funding for operating subsidies. This is particularly important when LAHD requires the construction of deeply affordable units.
- This coalition recommends that if the Department mandates a certain percentage of dollars go to units that are below 30% AMI, the Department should ensure there is a corresponding allocation for operating subsidies. It would be the City's responsibility to couple production dollars with operation dollars. This step is also helpful for streamlining.
- The ULA coalition has submitted a recommended program for ULA's operating subsidies money, which pools funds into an insurance pool, coupled with tenant-based voucher assistance. [That program can be reviewed here](#). The coalition's draft guidelines for operating assistance are [here](#).

- To the extent that property subsidies are funded by COSR due to lack of vouchers, the COSR should not be included in total development cost calculations. Developers turn to COSR when PBVs are not available. COSR increases total development costs. The shortage of these vouchers should not count against high cost test calculations.

Draw Funding, Transfer of Funds, & Construction Loans

- Mayor Bass's administration has suggested they will attempt to revamp the City's system for draw funding.
- If draw funding can be allocated efficiently, LAHD could set up a pot of funding for providing construction loans utilizing money from this ULA program area.
- This could fund construction at a lower interest rate (3%) than the market provides and help projects save money. The fund would also become renewable as loans were paid back.
- LAHD could set up a maximum loan amount at its discretion.
- Whenever possible, City should transfer funds electronically.

Conduit Bonds

- LAHD should set up a process to allow developers to acquire conduit bonds outside of the city, under a certain threshold. Staffing limitations may cause issues for processing bonds associated with new construction created by ULA funds

Appendix B

Alternative Models for Permanent Affordable Housing Full Program Guidelines

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- Section B. Minimum Required Resident Engagement Activities for Rental
- Section C. Minimum Required Resident Engagement Activities for Ownership
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- Section E. Evaluation, Reporting and Compliance

ATTACHMENTS

1. Rental project application, including development and operating budgets, unit mix, affordability levels, income and rent chart, building conceptual plans, funding plan with amount requested from UHLA
2. Ownership project application, including development budget, unit mix, affordability levels, income and sales price chart, building conceptual plans, funding plan with amount requested from UHLA, sales plan
3. Regulatory agreement
4. Loan agreement, Trust Deed, Promissory Note
5. Subordination Agreement
6. Planning approval evidence
7. Template for Resident Management Plan
8. Evidence of meeting other policy requirements: e.g. transit oriented, high density, resource neighborhood, etc.
9. Relocation documents
10. Reporting Forms
11. Compliance Forms
12. Project Labor Agreement
13. See existing City documents as applicable
14. Social Housing Operations Policies
15. Resident Management and Ownership Resource Collaborative
16. Resident and Organizer Property Management/Oversight Training Manual

Article 1. General Overview

Section A. Introduction and Context

The November 2022 Citizens Ballot Measure ULA, which established the Los Angeles Program to Prevent Homelessness and Fund Affordable Housing (“House LA”), was written by affordable housing practitioners and successfully secured the support of 58% of voting Angelinos. The measure establishes robust funding to implement an array of homelessness prevention, tenant protection, housing preservation and housing production strategies. Among these approaches, House LA’s authors first sought to fully fund traditional approaches to affordable housing production in order to maximize federal and state resources that can be brought to Los Angeles. Anticipating that House LA’s transfer tax mechanism will then create ample resources above and beyond those that will attract leveraged resources, the authors have directed an identical percentage of the annual tax revenue to alternative models of housing production, prioritizing scale, speed, flexibility, longevity of public benefit through permanent affordability, and an enhanced role of residents in their own housing.

The guidelines prepared by the United to House LA Coalition and presented below are designed specifically for this new House LA program, Alternative Models for Permanent Affordable Housing.

Since the Tax Reform Act of 1986, the Low Income Housing Tax Credit program (“LIHTC”) has formed the foundational financing of most affordable housing production. It has some beneficial and detrimental effects. On one hand: the program has created a cadre of seasoned affordable housing developers and allied professionals to produce and manage such housing; in California, it has incentivized various state and local housing funding programs to supplement the LIHTC equity; and it has generated several million affordable housing units across the country.

On the other hand, there are many undesired consequences of the heavy reliance on this program. LIHTC does not come close to financing the affordable housing needed to serve income-qualified households and does not provide operating support in the long-term. And LIHTC does not fully fund projects: in California, developers must cobble together four to five sources of funding to supplement the LIHTC equity, making the endeavor inefficient and time consuming. Additionally, in Los Angeles County, due to the divergent income and rent growth trends over the last 30-40 years, the program income and rent levels do not serve the truly low income nor the not quite moderate income. At the same time, over-reliance on LIHTC has substantially reduced or eliminated other affordable housing options like public housing, and community ownership strategies like Community Land Trusts (“CLTs”) and Limited Equity Housing Cooperatives (“LEHCs”); and even though California imposes a 55-year affordability covenant on LIHTC projects, given the size of the subsidy needed to produce a unit, perpetual affordability is a more appropriate restriction but legally and regulatorily difficult to attain. Finally, there is an absence in resident leadership in the production, management and ownership of such housing, impairing the relevance of community aspiration and resident governance in their home and neighborhood.

To address this array of concerns, House LA allocates 22.5-25% of programmatic funding to alternatives to the LIHTC model. These alternatives, based on the measure’s language and these guidelines, should include the following elements (each of which is expounded on in the following sections of these guidelines).

- Certain: Funding based on meeting program thresholds, rolling application process, non-competitive, or if the fund is oversubscribed, to establish three to four NOFA rounds per year with unsuccessful applications able to stay in for the next round or reapply with different proposal;
- Fast: Sole public financing source model, possibly paired with private equity, debt and/or other non-competitive funding sources as appropriate, and including operating support as appropriate/necessary;
- Flexible: Range of affordability, including both reaching deeply to meet needs of ALI and/or ELI households, and higher income units to cross subsidize that affordability when financially beneficial;
- Perpetual: Affordability covenant does not have an expiration date; and
- Resident leadership: Residents have a meaningful voice in the management and ownership decisions of the properties where they live.

Since a scaled approach to resident management and resident ownership is a new approach for the City of LA, special sections of these guidelines are dedicated to this concept. The guidelines also lay out the purpose and roles for a new entity called the Resident Ownership and Management Resource Collaborative (“Collaborative”) which will support developers, community partners, and residents in implementing the appropriate resident leadership plan as per the type of management and ownership model selected for the project.

Section B. Purpose and Scope

The purpose of these Program Guidelines is to implement House LA Program Section 22.618.3(d)(1)ii.b. of House LA, which establishes the Alternative Models for Permanent Affordable Housing Program to support the construction of new supportive and affordable rental and ownership housing of 40 units or more, or pay the principal and interest on debt incurred for such purpose. These program funds may also be used for acquisition/rehabilitation, adaptive reuse, lease, preservation and operation of such housing of any size or pay principal and interest on debt incurred for such purpose.

Program requirements detailed in the measure are as follows:

- **Development:** Housing units shall be developed by entities qualified for funding as follows: To qualify for funding from the Affordable Housing Program, an applicant must demonstrate a history of affordable housing development and/or affordable housing property management experience, as the Department defines those terms consistently with the purpose of this article. Community Land Trusts and Limited-Equity Housing Cooperatives may qualify for funding from this initiative without demonstrating a history of affordable housing development and/or affordable housing property management experience by (a) partnering with experienced non-profit organizations, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, as determined by the Department and consistent with the purpose of this article. (SEC.22.618.3(d)(1)ii.b.1. and SEC.22.618.3(d)(1)ii.d.)
- **Ownership and Management:** Housing units shall be owned and/or managed by a public entity, a local housing authority, a Community Land Trust, a Limited Equity Housing Cooperative, or a non-profit entity within Internal Revenue Code Section 501(c)(3), which demonstrates a history of affordable housing development and/or affordable housing property management experience, through a process the Department shall determine. A Community Land Trust or a Limited-Equity Housing Cooperative without a demonstrated history of affordable housing development and/or affordable housing property management experience may qualify for funding under this subsection by (a) partnering with an experienced non-profit organization, as determined by the Department and consistent with the purpose of this Article, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, as determined by the Department and consistent with the purpose of this article (SEC.22.618.3(d)(1)ii.d.)
- **Affordability:** A project may accommodate a mix of household income types including Acutely Low Income Households, Extremely Low Income Households, Very Low Income Households, and Low Income Households. (SEC.22.618.3(d)(1)ii.b.2.) A minimum of 20% of a project's housing units shall be reserved for Acutely Low Income and/or Extremely Low Income households. (SEC.22.618.3(d)(1)ii.b.3.) All units shall be subject to a covenant that meets the requirements of Section 22.618.3(d)(1)(i).b., except that according to criteria established by the Department consistently with the purposes of this Article, and only for the purpose of increasing the financial stability of Acutely Low Income, Extremely Low Income, and Very Low Income Household units in the project, up to 20% of units may be unrestricted as to income and rent levels..

(SEC.22.618.3(d)(1)ii.b.4.) The Department shall adopt a policy to prevent the displacement of households that qualified for a unit upon initial occupancy but thereafter exceed the income limits. Such households may be charged a rent commensurate with their current income levels. (SEC.22.618.3(d)(1)i.a.)

- **Covenants:** Each property and affordable unit, whether in rental or ownership housing, shall be made subject to a recorded covenant that establishes permanent affordability, as detailed in the measure.¹ (SEC.22.618.3(d)(1)i.b)
- **Replacement, Relocation and Right of First Refusal:** Requirements for replacement housing, relocation of residents in an occupied property, and the right of first refusal on units made available in the future, as detailed in the measure, will apply. (SEC.22.618.3(d)(1)ii.c.)
- **Resident Participation in Management:** Residents shall have the right to participate directly and meaningfully in decision-making concerning the operation and management of the project. (SEC.22.618.3(d)(1)ii.b.5.)
- **Resident Ownership:** Where feasible and desirable, the project shall include resident ownership, including but not limited to Limited-Equity Housing Cooperatives. (SEC.22.618.3(d)(1)ii.b.6.)
- **Use of Public Land:** Where feasible and desirable, projects shall use public land. (SEC.22.618.3(d)(1)ii.b.7.)
- **Construction Work:** As detailed in the measure, prevailing wages will be paid for any construction or rehabilitation project receiving House LA funding; and all construction and rehabilitation projects of 40 units and greater² are subject to a Project Labor Agreement. (SEC.22.618.7)

Section C. Commitment to Racial Equity

House LA's Goals include: "Deploying programs and policies funded through this initiative in such a way as to address racial segregation, dismantle racially exclusionary practices, and promote racial equity in housing, academic, and economic opportunities." (SEC. 22.618.1(f)). In alignment with this purpose, the Alternative Models for Permanent Affordable Housing Program seeks to enhance racial equity through resource distribution, implementation strategies, and outcomes. Furthermore, these Program Guidelines have been established in accordance with the Vision of the City of Los Angeles' Office of

¹ The measure provides these additional details: 1. Each housing unit in the project shall be used exclusively as a residence for households at the respective income level. 2. The housing cost or rent for such housing unit shall be no more than an affordable housing cost or affordable rent at the respective level of income. 3. No housing unit may be leased or subleased, except to a household at the level of affordability and for no more than an affordable rent for which the unit was dedicated. 4. Any resale of rental property funded by this initiative shall be restricted to non-profit entities or LEHCs, including but not limited to affordable housing corporations and CLT, to ensure the continued use of the dwelling units as affordable housing as provided in this section. 5. In the case of owner-occupied housing units, initial sales and all resales shall be restricted to purchasers whose household income does not exceed the income level to which the unit is dedicated and who do not pay in excess of affordable housing cost at that income level; or LEHCs or similar entities providing for resident ownership and affordability in perpetuity with an average affordability level for Lower Income Households and which allows not more than 20% of units to be owned and occupied at unrestricted market rates. Unrestricted market rate units shall not be used to calculate average affordability of units in a project. 6. The term of the affordability restrictions contained in the covenant shall be in perpetuity, or such other maximum length of time as may be permitted by applicable law, except that an affordability covenant with a fixed term of no less than 55 years shall be acceptable only if necessary to meet requirements of other funding sources. 7. The affordability restrictions shall be senior to and not subordinated to any lien, deed of trust or condition or restriction to be recorded against the property, except for any land use-related affordability covenant, such that any entity taking title to the property or a dwelling unit by foreclosure or deed-in-lieu of foreclosure shall take subject to the affordability restrictions. (SEC. 22.618.3(d)(1)(i).b.)

² The number of units means the maximum number of units authorized in any entitlement granted by the land use permitting authority for the development project, regardless of whether construction proceeds in phases or ownership is divided.

Racial Equity, which states that “We envision a City that authentically engages communities most harmed by systemic racism, as leaders and collaborators, in the process of identifying data, distributing public resources, and reforming policies that impact outcomes of Civil + Human Rights and Equity.” Additionally, the Department must incorporate racial equity metrics in public program reports and evaluation.

Article II. Program Requirements and Procedures

Section A. Eligible Projects

In order to contribute to meeting House LA's overarching program goals, and in accordance with House LA's requirements for the Alternative Models for Permanent Affordable Housing Program summarized above, project eligibility will be based on the following:

New Construction Projects:

- Must be 40 units or above.
- On the portfolio level, it is the goal that at least 10% of the program units (on a two-year period basis) will serve special needs populations, including the homeless, mental & physical disabled, domestic violence survivors, transitional age youth, and reunification families. In any year when the Department determines that there is no or limited operating support and/or rental vouchers available for such populations, 100% of the program funds can go towards permanent affordable housing, with the intention to meet the portfolio-wide goal in subsequent year(s). In those years when such operating support is available (including but not limited to operating resources funded via House LA), the Department can fund such projects and units to the extent permitted by the available operating funds up to the special needs units shortfall accumulated in prior years.
- For permanent affordable housing projects, at least 20% of the units must be set aside for ELI and ALI households. These units may also be used to serve the special needs populations and be also counted towards the minimum 10% special needs goal. Up to a maximum of 20% of units can be free of income and rent restrictions to cross subsidize the units that generate very little rent for the purpose of covering operating costs.
- Minimum density of 90 units per net acre and/or FAR of 3.0, not counting podium parking, to be further refined based on city zoning and city and state affordable housing incentives.
[PLACEHOLDER, pending analysis of available public parcels]

Acquisition/Rehab and Adaptive Reuse Projects:

- No minimum size, but operating efficiency will be considered (e.g., larger projects that offer lower per unit operating costs).
- The same special needs goals and income restrictions described above for new construction applies.

Section B. Eligible Applicants

Housing units shall be developed by entities which demonstrate a history of affordable housing development and/or affordable housing property management experience, as the Department defines those terms consistently with the purpose of House LA. Community Land Trusts (CLTs), or Limited-Equity Housing Cooperatives (LEHCs) may qualify for funding from this initiative without demonstrating a

history of affordable housing development and/or affordable housing property management experience by (a) partnering with experienced non-profit organizations, or (b) showing evidence of staff capacity adequate to manage and administer the project.

Housing units shall be owned and/or managed by a public entity, a local housing authority, a CLT, a LEHC, or a non-profit entity which demonstrates a history of affordable housing development and/or affordable housing property management experience. A CLT or a LEHC without a demonstrated history of affordable housing development and/or affordable housing property management experience may qualify by (a) partnering with an experienced non-profit organization, as determined by the Department and consistent with the program's purpose, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, as determined by the Department and consistent with the program's purpose.

Section C. Eligible Costs

Eligible project costs include:

- Acquisition cost during predevelopment
- Predevelopment cost with approved budget during predevelopment
- Construction and rehabilitation cost
- Soft costs as related to the construction and development of the project, including conventional financing, A&E, P&F, entitlement processing, etc.
- Ongoing annual operating cost and principal & interest if required, but only for special needs and ALI & ELI that require operating assistance

Section D. Assistance Terms and Limits

The following are terms and limits for the City's commitment of House LA funding to the project:

- Maximum loan size: \$50,000,000 in 2022 dollars to be adjusted by annual CPI, unless approved by City Council
- Minimum loan size: \$1,000,000 to be adjusted by annual CPI
- Maximum loan per unit: \$600,000 for ELI & ALI; \$500,000 for VLI; \$400,000 for LI to be adjusted by annual CPI. Due to the unpredictable global market in the purchase of materials, other methods of adjusting loan limits due to construction cost changes may be used.
- Permanent loan: 3% simple interest, deferred for 45 years
- Pre-construction loan size: Based on evidence and proposed budget, not to exceed 25% of total project loan request, 0-1% simple interest, deferred for 24 months with one 12 month extension
- Maximum developer fee: \$25,000 per unit, limited to a project total of \$2.5 million. Changes to these numbers must be approved by the House LA Citizens Oversight Committee.
[PLACEHOLDER: Under discussion]
- The Department to set aside an extra 10% of loan amount and to be disbursed at its discretion in response to legitimate unexpected cost overrun.

- Permanent affordability covenant

Section E. Threshold Requirements (or, Minimum Scoring Points)

This program is intended to be a rolling application/award program (OR three/four NOFA rounds per year). Qualified projects will be underwritten and notified of funding decisions within 90 days. Projects that do not meet these threshold requirements shall not qualify for funding through the Alternative Models for Permanent Affordable Housing Program.

Projects which meet the following thresholds are assured funding, as long as money is available in that round:

- Project is located in either (i) a location designated as “Highest Resource” or “High Resource” pursuant to the most recent California Tax Credit Allocation Committee Opportunity Map, and/or TOD location (as defined by LA City’s Transit Oriented Communities Policy as within a half-mile radius of a major transit stop)
- Average affordability by unit type (50% AMI @ TCAC or 60% @ HCD) [*PLACEHOLDER, requires additional discussion/analysis*]
- Family unit mix or special needs minimums (TBD)
- Unit size minimums (apply TCAC minimums)
- Traditional or shared housing (need definition - review [state definition](#) for possible inclusion)
- Site amenities minimums: open space, community room, washers/dryers, etc. (per TCAC)
- Title 24 requirements minimum
- Parking limits not to exceed zoning/Density Bonus Planning Department requirements
- Starting minimum DSCR of 1.15 and maximum of 1.3
- Agreement to permanently restrict units for affordable housing at defined AMI levels
- Resident Management Plan: A current or planned structure that includes a) a resident owned building like a LEHC or a rental project owned by a corporation made up in whole or in part by residents, b) an organization with dedicated resident seats making up not less than one-half of the BOD, such as a mutual housing association, or c) an owner agreement spelling out the commitment and process of joint building oversight with elected residents council.
- Development Experience: Developers must have at least three completed projects in the prior five years with A) building typology comparable to the proposed project, B) project financing and affordability covenants equivalent to or more complicated than the proposed project, as well as C) property management track record demonstrating positive cash flow, current building repairs and maintenance and compliance with financial and affordability audits. Additionally, developers must demonstrate the capacity to support ownership alternatives and/or tenant leadership. Partnering with a community-based organization, CLT or other organizations with tenant leadership experience can count toward this requirement.
- Partnership: Developer must present a partnership agreement or MOU with a community-based organization(s) such as a tenant organization, community land trust, or emerging BIPOC organization (an entity or developer that is at least 51% owned by one or more Black,

Indigenous, or Other People of Color or by a non-profit organization with a Black, Indigenous, or Other Person of Color executive director/Chief Executive Officer (CEO) and board membership). Partnership agreements should show (i) allocation of share of the developer fee, cash flow, and net sale proceeds and (ii) outline of roles and responsibilities between developer and partner organization(s) – for example, agreement should show how tasks related to resident leadership development will be allocated.

- Property management experience: For rental buildings, property managers must have at least five comparable projects under management. For ownership buildings or buildings which will convert from rental to ownership, property managers must have at least five projects of comparable or larger scale under management, and must present a statement clarifying how resources and capacity to manage resident ownership will be incorporated into the property management team. In either case, senior leaders in a property management collaborative may use their professional experience to meet this threshold.

In addition to and superseding project selection based on the above threshold requirements:

- In the years when long-term special needs rental vouchers are available, the Department will prioritize special needs projects – with a minimum of 25% mix, or 50 special needs units, whichever is smaller – as a threshold requirement until such vouchers are all committed. *[PLACEHOLDER. Consider higher %/# of special needs if necessary to catch up when operating/rent subsidies are available/]*

Section F. Application and award process (to be developed by LAHD)

Section G. Legal documents (to be developed by LAHD)

Section H. Reporting and performance requirements (to be developed by LAHD)

Section I. Labor provisions (to be detailed by LAHD, consistent with ULA Section 22.618.7.)

- All projects: Prevailing Wage
- New construction and rehabilitation of 40 units and up: Project Labor Agreement

Section J. Defaults & cancellations (to be developed by LAHD)

Article III. Resident Participation in Management and Ownership

Section A. Overview

The purpose of the Alternative Models for Permanent Affordable Housing program is to not only house people but to build stronger individuals, families and communities through the work of producing and managing the housing. In the traditional affordable housing model, the developer becomes the owner and the residents remain in a traditional tenant role. Tenants are usually not consulted on forming the operating and leasing policies, which is in large part due to the prescriptive nature of the funding programs. Tenants are also not consulted on budgets and financial decisions in the building.

An alternative model can be structured in many ways. Residents could be involved as elected or appointed resident representatives and have a say on the policies and financial decisions of the building. A formally-organized Resident Council can act as the intermediary between the owner and the building-wide residents, or even with other stakeholders in a neighborhood. Like a union, this body can negotiate the policies and decisions with the owner directly, but still be subject to the prescription of the funders. Direct and sole resident operating and financial authority will likely have to come under an ownership model, which may be limited equity, among other non-market features. An intermediate model could have the owner – either a non-profit developer or an organization like a CLT – reserve seats on its Board of Directors specifically for residents.³

The following sections outline resident leadership opportunities through resident-engaged management of rental housing, through ownership housing, or through properties that will be initiated as rental housing and will convert to a form of community and/or resident ownership in the future. Additional details regarding operations are provided in *Attachment 14: Operations Policies for Alternative Models for Permanent Affordable Housing*.

To inform, facilitate and support an alternative approach where residents are playing an enhanced role with their housing, the Department will grant annual dollars from House LA's Capacity-Building program (Section 2.618.3(d)(1)(ii).d.) to a citywide Resident Ownership and Management Resource Collaborative (Collaborative). The Collaborative will provide training and other support to residents living in House LA-funded housing to enhance and support their participation in the governance and/or ownership of their communities; and provide training and support to developers, building owners and property managers that are practicing resident-engaged management, and/or resident ownership. Further explanation is detailed in *Attachment 15: Resident Management and Ownership Resource Collaborative*, and in *Attachment 16: Resident and Organizer Property Management/Oversight Training Manual*.

Section B. Minimum Required Resident Engagement Activities for Rental Housing:

The following are activities that, at a minimum, are required for rental properties funded through House LA's Alternative Models for Permanent Affordable Housing:

³ <https://shelterforce.org/2022/08/16/breaking-nycs-housing-speculation-cycle/>

- **Predevelopment:** Prior to the development of a project, the developer will ascertain the affordability needs, preferred tenure options, unit size desired, common amenities, building design, property management and leasing concerns and aspirations, all of which will be considered and incorporated into the project to the maximum extent feasible while not deterring desired scale or expeditious timeline for the project. Such input can be gathered through activities designed and executed by the developer’s community partner (established pursuant to Section E) with the type and intensity of outreach can be determined by that partner. Community engagement activities focused on lower income neighborhood residents who represent similar income categories as are intended to be served by the Program, prospective tenants, and/or others with lived experience of housing unaffordability and insecurity. Outreach tools should be designed to broaden participation beyond traditional channels for gathering community input such as focus groups, workshops, pop-up events, intercept surveys, and attending other community meetings and events. The Collaborative will provide tools, templates, models and training to support this process.
- **Leasing:** In preparation for lease up, and during the lease up period, developer and/or property management team will engage the community partner in development of the lease up plan, which will include coordination with the Coordinated Entry System for any units set aside for special needs populations, as well as neighborhood-based outreach to inform and market the available units to neighborhood residents above and beyond Affirmatively Furthering Fair Housing. More efforts should be expended on encouraging participation in areas with a history of civic disengagement, displacement, and economic marginalization. The Collaborative will provide tools, templates, models and training to support this process, as well as supporting engagement with any centralized system that provides preferences or placement priorities.
- **Rehabilitation:** Rehabilitation of apartment buildings with sitting tenants will at a minimum follow all legal requirements for relocation, as noted in SEC.22.618.3(d)(1)ii.c. of the measure. While it is the responsibility of the developer to coordinate the rehabilitation with sitting tenants, the Collaborative will provide information and education to the tenants the purpose of which is to advance the efficacy of quickly completing the rehabilitation while making the sitting tenants as comfortable as possible.
- **Property Management:** Building owners (if applicable) and property managers will engage residents in the process of ascertaining the financial, physical and community health of the property. Resident engagement activities should at a minimum include:
 - Monthly office or informal gathering between property management and residents to discuss and resolve specific building issues as they arise (in addition to issues that need immediate attention throughout the month)
 - Quarterly residents meeting with property management to review the operations and management status of the building and adjust the house rules and leasing parameters as appropriate and in accordance to laws and regulations
 - Bi-annually at mid-year and end of budget year, meeting with property management to review the building budget and actual financials to determine operating expense and capital investment priorities as well as to set the budget for the following year.

In order to ensure that residents can effectively engage in these activities, the Collaborative staff will provide training to residents that includes building finance and operations, as well as skill-building strategies related to communication and decision-making; and additionally will provide skill-building training and on-going support for developer, building owner (if applicable) and property management as is necessary to promote collaboration. These activities may be launched with residents as soon as lease terms are finalized (in a new construction property), or before- or upon-acquisition (for an occupied acquisition-rehab property).

- **Residents Council:** If residents desire, the Collaborative staff will work with residents, the building's property manager, and potentially also the building's owner to support the formation of a Residents Council as a formal body to engage with the property manager and/or building owner regarding the above matters. Additionally, the Resident Council may represent the building when engaging with other neighborhood stakeholders such as its Neighborhood Council, elected and appointed representatives as well as area businesses to advocate for economic and quality of life improvements. The Residents Council may also participate in the governance of the Collaborative in formal and informal ways.
- **Resident Training:** Residents should receive training, on an on-going basis, learn about everything related to managing a residential building, including leadership, organizing, mediation, property management, building budgeting, systems & repairs, and tenant-landlord law. This can be provided by the Collaborative directly and/or in conjunction with community partner, building owner (where applicable), and/or property manager. This training will also assist residents and property managers to be clear about their distinct roles, including that property managers are responsible for collecting the rent, maintaining the building, reporting to owner/lenders/investors, and leasing; while in contrast, resident leaders can perform a complimentary role through involvement in policy and oversight, including budgeting, financial review, and setting broad leasing policies in accordance with all relevant laws.

Section C. Minimum Required Resident Engagement Activities for Ownership Housing

The following are activities that, at a minimum, are required for resident-ownership properties funded through House LA's Alternative Models for Permanent Affordable Housing, such as affordable condominiums or Limited Equity Housing Cooperatives (LEHCs):

- For a new construction ownership project, a minimum of 12 months prior to the anticipated completion and sales of the units or cooperative shares, the developer and/or community partner will create and launch a marketing plan that includes outreach to area stakeholders involved in community stabilization and anti-displacement activities, and marketing of the housing to area residents, with the goal of identifying residents who are serious about ownership and may income pre-qualify for specific units. Should a local preference or first right of refusal policy be established, the marketing and buyer-selection activities would incorporate standards and practices in accordance with those policies.
- If the property is being converted from rental to ownership, then financial and design plans for ownership should engage current residents and/or any elected Resident Council; and such plans

should be structured to maximize retention of current residents and their conversion from tenants to owners.

- It is important to recognize that for traditional affordable single family homeownership, a 10:1 ratio of applicants to buyers is common, and therefore pre-qualification, education and preparation during the year prior to purchase are critical to success. Similarly, because cooperative ownership requires both financial preparation and cooperative skills that must be built over time, whenever feasible, training and engagement in decision-making by future cooperative owners should be incorporated into the process.
- The marketing and sales effort, and homebuyer training that will be conducted in conjunction with the sales of homes or shares, may be conducted by a developer with the requisite experience, or by a partner CLT or other affordable homeownership organization. The salesforce and homebuyer training team will work with the pool of potential homebuyers to improve their credit scores, debt-to-income ratios, and remove other barriers in order to successfully qualify for mortgages and/or coop loans, as well as sustain ownership costs in the long-term. These activities may be centralized through the Collaborative, in order to achieve volume of activity and create expertise across the city.
- After the construction completion and owners move-in, or after a rental-to-ownership conversion is completed, and with the support and training of the Collaborative, the developer and/or community partner will work with the resident-owner to:
 - form either the HOA or coop board and to elect its leaders/officers,
 - assist the resident-owners and HOA or coop board to hire the property manager
 - ensure on a monthly, quarterly and annual basis that the financial, physical and community health of the community is strong.

The Collaborative will support all above activities with making case studies, models and templates available to the developer, property manager and/or community partner, as well as provide direct technical assistance and support access to legal resources as needed. Furthermore, the Collaborative will provide on-going training in leadership, organizing, mediation, property management, building budgeting, systems and repairs, ownership financing, HOA/coop members' rights and responsibilities, and other areas of needs identified by developers, property managers, Resident Councils, HOA or coop boards, and individual residents.

Section D. Planning for the Unexpected

The buildings, whether rental or ownership, would incorporate financial strategies during development and in the long-term to set up the building for long-term success. This will include as a minimum the following:

- **Operating Reserves:** An operating reserve fund to provide a cushion for future shortfalls in the monthly/annual operations of the property, including vacancy. The Operating Reserves will be established through the development budget, and repaid as necessary from building cash flow.

- **Replacement Reserves:** A capital reserve fund to address the physical needs of the property will be established through the development budget, and/or will be maintained as an on-going operating expense. Any lease with building owners, whether a non-profit developer or tenant association, a LEHC, or individual homeowners will include requirements for establishment and maintenance of the replacement reserves.
- **Community Conflicts:** An early activity in each building is to engage residents in establishing a Community Agreement, as a building-wide compact about how people choose to live together. It is critical to build trust through regular and meaningful communication among all parties and ensure the participation of all residents in the governance of their community. Inevitably, however, conflicts will arise, between residents and between residents and property management and/or owners. One of the roles of the Collaborative will be to facilitate access to mediation resources and services, to support intrapersonal and building-wide relationships.

Section E. Evaluation, Reporting and Compliance

The Developer, Community Partner, and/or Property Manager will be responsible for providing reports on implementation of the Resident Management Plan, semi-annually during Years 1-3 (post construction) and annually Years 4-15, through a process to be determined by the Department. The report shall, at a minimum, include:

- Progress during the reporting period on the Resident Management Plan, and any changes to the Plan that have been implemented and/or are proposed;
- Survey of residents' community satisfaction;
- A revenue/expense report as well as project balance sheet; and
- Self-evaluation and 360-evaluation by owner/developer, community partner, and property manager regarding the state of the property and community - including physical upkeep, leasing and vacancy, rent collection, resident complaints and resolutions, community events and participation levels, as well as projecting forward challenges and solutions.

ATTACHMENTS

1. Rental project application, including development and operating budgets, unit mix, affordability levels, income and rent chart, building conceptual plans, funding plan with amount requested from UHLA
2. Ownership project application, including development budget, unit mix, affordability levels, income and sales price chart, building conceptual plans, funding plan with amount requested from UHLA, sales plan
3. Regulatory agreement
4. Loan agreement, trust deed, promissory note
5. Subordination agreement
6. Planning approval evidence
7. Resident leadership proposal
8. Evidence of meeting other policy requirements: e.g. transit oriented, high density, resource neighborhood, etc.
9. Relocation documents
10. Reporting forms
11. Compliance forms
12. PLA
13. See city existing documents as applicable
14. Social Housing Operations Policies
15. Resident Management and Ownership Resource Collaborative
16. Resident and Organizer Property Management/Oversight Training Manual

ATTACHMENT 14

Social Housing Operations Policies

Social housing aspires to be accessible to all, with a low barrier to entry and creating a community where conflicts are resolved with communication and mediation. Success is defined by stable residency with low eviction rates in a well-maintained and financially viable building. Residents are respectful and respected; there are non-punitive measures to address financial crises or disruptions to the building's community; and participate in the meaningful governance of their community. Properties may be operated as rental housing in the long-term, or resident ownership opportunities may be in place at the outset or developed over time. Resident ownership, if established, may be through direct financial participation by the residents, or may be through a non-profit entity controlled by the residents. In all cases, affordability will be achieved and maintained in perpetuity.

To reach these aspirations, housing operators may apply the following policies at their discretion and risk, subject to applicable federal, state and local laws and regulations. These policies have drawn from Housing First principles, as well as incorporating and building on recommendations found in the Tenant's Bill of Rights prepared by Keep LA Housed⁴.

Application Process for Rental Housing

- No citizenship or immigration status check
- No criminal background check
- An applicant with adverse credit report information will be immediately notified and offered referral to a social service or tenant advocacy organization to help clarify any issues, correct any mistakes and repair any defects. Certain defaults like medical bills and student loans will not be included in the review. Alternative documentation of payment history is acceptable subject to the judgment of the leasing agent. This may include prior rent payment history, utilities bills and receipts, etc. In the event the unit is leased prior to the resolution of the credit issues, the applicant will be offered the next available unit with the appropriate income limit and household size.
- Except in the case where a Section 8 rental subsidy is attached to the unit or applicant, an applicant with high rent-to-income ratio will be immediately notified and offered referral to a social service or tenant advocacy organization to ensure that all income sources are included and the ratio reworked and reviewed. If the applicant has consistently paid rent in excess of the rent of the indicated unit or if the applicant can find a guarantor for the first 12 months of occupancy, this subject ratio threshold can be eliminated.
- Priority to Qualified Households who have been displaced as a result of the City of Los Angeles' public projects
- Preference to Qualified Households living or working in a defined geographic area (e.g. based on radius from the site, site's census tract and contiguous census tracts, or defined neighborhood

⁴ <https://drive.google.com/file/d/1T5KUFnpso-RRTSNNr3aMnh2DPA9MQq-V/view?pli=1>

boundaries), with the geographic area established in accordance with local and community-based anti-displacement strategies, as permitted by State Law and local ordinance.

- Any additional priorities or preferences established through a Right of First Refusal, Right of Return, or any future local preference policy.

During Operation

- Non-payment of rent: Prior to initiating Unlawful Detainer action, the housing operator will privately discuss the matter with the tenant to arrange a payment plan. If this first step is not successful, the housing operator will ask the tenant in writing for permission to refer them to a social service or tenant advocacy organization to help with rent payment from grant or loan sources. If the non-payment is not resolved after 60 days from the operator's written request for permission to refer, the operator may initiate UD action with a three-day notice to pay or quit. *[PLACEHOLDER - pending review by Right to Counsel coalition partners]*
- Residents conflict leading to breach of quiet enjoyment: Prior to initiating Unlawful Detainer, the housing operator will privately discuss the matter with all involved parties to seek resolution. If this first step is not successful, the housing operator will ask the tenants in writing for permission to refer them to a social service or tenant advocacy organization for mediation. If this second step is not successful, the housing operator will ask the Resident Council to appoint three council members to adjudicate the dispute. If a Resident Council has not been formed, the Collaborative will either select active residents to participate in an ad-hoc mediation team or will provide staff support towards mediation. The housing operator will consider (or follow?) the adjudication to initiate UD action with a 30 or 60-day notice to vacate..
- Residents action leading to breach of quiet enjoyment, safety of other residents or damage to property: Prior to initiating Unlawful Detainer, the housing operator will privately discuss the matter with the tenants to seek resolution. If this first step is not successful, the housing operator will ask the tenants in writing for permission to refer them to a social service or tenant advocacy organization to assist in resolving the matter. If this second step is not successful, the housing operator will ask the Resident Council to appoint three council members to adjudicate the dispute. If a Resident Council has not been formed, the Collaborative will either select active residents to participate in an ad-hoc mediation team or will provide staff support towards mediation. The housing operator will consider (or follow?) the adjudication to initiate UD action with a 30 or 60-day notice to vacate.

ATTACHMENT 15

Resident Management and Ownership Resource Collaborative

A citywide Resident Ownership and Management Resource Collaborative (“Collaborative”) will be established for the purpose of providing training to residents living in housing funded through either the Alternative Models for Permanent Affordable Housing (SEC. 2.618.3(d)(1)(ii).b.) or the Acquisition and Rehabilitation of Affordable Housing program (SEC. 2.618.3(d)(1)(ii).c.) of House LA), in order to enhance and support resident participation in the governance and/or ownership of their communities. As requested by fund recipients and to complement the work of developers and community partners and property managers, the Collaborative will provide training and support to developers, community partners, building owners and property managers that are practicing resident-engaged management, and/or resident ownership. As described in Article III of these guidelines, the Collaborative will support both rental and ownership projects throughout various stages of the development process. For Rental projects this can include: tools, templates, models and training to support predevelopment, leasing and property management activities with an overall focus on tenants training and education. If rehabilitation is required, the collaborative can provide education to the tenants on their rights. For Ownership projects this can include: supporting with marketing plan, homebuyer training, forming HOA or co-op boards, and ongoing trainings to ensure the health and sustainability of the buildings. The Collaborative’s role may evolve over time based on future policies established by the City to advance resident management and ownership opportunities.

The Collaborative will be established by organizations based in Los Angeles that have a history and mission of advancing the stability and role of lower-income and BIPOC residents in their housing, including but not limited to tenant rights organizations, tenant unions and CLTs. These founding organizations will design and vet all Collaborative program objectives and functions contemplated here. It is expected that the Collaborative staff will be recruited from the communities where the residents are likely to originate, and will be selected based on their previous civic activities and engagement and demonstrated commitment to fostering strong communities and supporting community members, with formal education and employment as secondary qualifications.

The Collaborative will be operated with grant funding from House LA’s Capacity-Building program (Section 2.618.3(d)(1)(ii).d.). As the Collaborative is being established and operationalized, these functions may be performed on a contractual basis by the organizations that are forming that Collaborative. A process establishing qualified organizations eligible for grant funding or service contracts related to the implementation of work performed by the Collaborative is to be developed prior to awarding of the grants or contracts. Initially, selected organizations can serve to establish and host operation functions and processes. As more resident-managed and resident-owned projects are completed, and more Resident Councils are formed, the Collaborative can set up a resident governance system, with a majority of the board directors elected from the Resident Councils.

In order to prepare for the role that the Collaborative will play in training and supporting residents, developers, and property managers, Collaborative staff will receive training in leadership, organizing,

mediation, property management, building budgeting, systems & repairs, and tenant-landlord law. On-going career and professional development will be offered throughout the year as a vehicle for both self-improvement and opportunity to collaborate with staff from sponsoring and collaborating organizations.

The Collaborative may offer support to such Resident Councils if established, in conjunction with and at the request of developers, community partners, building owners and property managers, and/or the residents themselves. Resident Councils can be established as informal or formal groups whose purpose is to have a substantial decision making role in the operations of their buildings. Some councils, especially in smaller buildings, may want to involve all residents in the deliberation, decision making and operating negotiation process; and in this situation, a formal organization may not be necessary. Some councils, especially in larger buildings, may want to incorporate, elect officers, and have a more formal process in its dealings with ownership and management. All interested residents regardless of council status can be trained in the subject related to housing operations, including leadership, organizing, mediation, conflict resolution, property management, building budgeting, systems & repairs, and tenant-landlord law. The Resident Councils may receive a nominal budget to provide transportation, food, childcare and other essentials necessary to encourage the participation of the widest range of residents.

On an annual basis, or more frequently depending on terms defined in the grant, the Collaborative will provide a report to the Department. The goals of the report are to include but not be limited to: (1) to ensure that the Collaborative and the Department are co-learning about resident management and resident ownership best practices, (2) to inform the Department about developer participation in the program in order to create accountability assessing the impact of collective resident management and resident ownership goals of ULA, and (3) to assess developer program compliance and ensure accountability measures are implemented.

The Year 1 report will include, as a minimum: Design of role, operation, functions and processes; Creation and maintenance of the Resident and Organizer Property Management/Oversight Training Manual), Initial implementation of the Resident oversight requirement. Although metrics to gauge Collaborative's success will be developed as part of the formation and grant agreement process, they may include but not be limited to: Numbers of properties, units and residents being supported by the Collaborative; General community satisfaction level (via resident surveys); General health of the properties (and if there are problems, the explicit plans to address them with residents' agreement); Governance structure of the Collaborative (board members, their origins, experience, etc.); Staffing ratio; Collaboration and cross-training activities with developer, community partners and/or property management staff; Number, type of training conducted (for developers, community partners, property managers, and/or residents); Participation numbers.

ATTACHMENT 16 (UNDER DEVELOPMENT)

Resident and Organizer Property Management/Oversight Training Manual

Resident and Organizer Property Management/Oversight Training Manual

1. Are the units being rented or sold and occupied by income eligible residents (at initial occupancy)?
 - Training materials:
 - Income and rent chart by unit OR income and sales price chart by unit
 - Vacancy, leasing, and sales reports as appropriate
2. Is rent being collected on time?
 - Training materials:
 - Rent ledger by unit
3. Is the building maintained?
 - Training materials:
 - Maintenance report by unit, repair description, progress status, close out
 - Building system lifecycle table by line item - system, replacement year, estimated cost with summary as compared to replacement reserve status and projections
4. Are the bills paid?
 - Training materials:
 - Monthly and quarterly accounting report
 - Variance report
 - Annual budget by category and detailed line items - based on industrial cost measure by unit, SF, building per year or per month
5. Is replacement reserve deposited? And capital improvements (not maintenance repair) kept up with schedule?
 - Training materials:
 - Building system lifecycle table - note replacements done or scheduled with cost
 - Replacement reserve and other reserve accounting by month or quarter AND annual

6. How is the building doing in terms of tenant relationships, eviction and conflict resolution?

- Training materials:
- Eviction step-by-step flowchart with time periods, forms, and intervention points for a) non-payment of rent (3-day notice) and b) other issues not related to non-payment of rent (30/60 day notice)
- Conflict resolution resources & training for organizers and resident volunteers - Loyola Law School Center for Conflict Resolution resources and Conflict Resolution Network materials

7. How to govern effectively?

- Training materials:
- Resources:

Appendix C Acquisition/Rehab Full Program Guidelines

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1. Prevailing Wage Requirements (to be developed by LAHD)
2. Project Labor Agreement (to be developed by LAHD)
3. Additional City documents as applicable (to be developed by LAHD)
4. Guide to Conversion of NOAH properties to Cooperative Resident Ownership
5. Resident Management and Ownership Resource Collaborative
6. Resident and Organizer Property Management/Oversight Training Manual

Article I. General Overview

Section A. Introduction and Context

The November 2022 Citizens Ballot Measure ULA, which established the Los Angeles Program to Prevent Homelessness and Fund Affordable Housing (“House LA”), was written by affordable housing practitioners and successfully secured the support of 58% of voting Angelinos. The measure establishes robust funding to implement an array of homelessness prevention, tenant protection, and housing production strategies, as well as housing preservation. By crafting an Acquisition and Rehabilitation⁵ for Affordable Housing Program as part of House LA, the authors have directed resources to the preservation of Naturally Occurring Affordable Housing (NOAH), with the goal of removing that housing from the speculative real estate market, in order to stabilize current tenants in their homes, provide resources to rehabilitate properties which have often faced disinvestment from previous owners, to ensure affordability in perpetuity, and to provide an opportunity for tenants to play an enhanced role in the management of their housing, and/or establishing tenant ownership. The authors incorporated strategies that can be deployed to complement NOAH preservation, such as utilization of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JDUs), acquisition of Residential Hotels, and preservation of properties with expiring affordability covenants.

The Guidelines prepared by the United to House LA Coalition and presented below are designed specifically for the House LA Acquisition and Rehabilitation for Affordable Housing Program (“Program”), and will guide the Los Angeles Housing Department or its successor agency (“Department”) in implementing the Program.

Section B. Purpose and Scope

The purpose of these Program Guidelines is to implement House LA Program Section 22.618.3(d)(1)ii.c. of House LA, which establishes the Acquisition and Rehabilitation for Affordable Housing Program for the acquisition, preservation, rehabilitation, lease, or operation of existing housing including but not limited to rent-controlled properties, Residential Hotels, Accessory Dwelling Units, and Junior Accessory Dwelling Units, either without existing covenants requiring affordability or with such existing covenants that will expire within ten (10) years of project onset, as the Department defines that term consistently with the purposes of this article, or to pay the principal and interest on debt incurred for such purpose.

Program requirements detailed in the measure are as follows:

- **Acquisition and Management:** Housing units shall be acquired and managed by a public entity, a local housing authority, a Community Land Trust, a Limited Equity Housing Cooperative, or a non-profit entity within Internal Revenue Code Section 501(c)(3), which demonstrates a history

⁵ “The preservation of unsubsidized affordable housing occupied by low-income residents, also known as acquisition-rehabilitation. The unique characteristics of acquisition-rehabilitation – such as working with tenants in place and preserving a smaller and aging building stock as permanently affordable – require a tailored approach and multi-sector support and investment.” [\(Enterprise 2020, Preserving Affordability, Preventing Displacement\)](#).

of affordable housing development and/or affordable housing property management experience, through a process the Department shall determine. A Community Land Trust or a Limited-Equity Housing Cooperative may qualify for funding by (a) partnering with an experienced non-profit organization as defined by the Department, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, through a process determined by the Department. (SEC.22.618.3(d)(1)ii.c.1.)

- **Affordability:** A majority of a property's units must be occupied by Lower Income Households upon acquisition, which shall be assumed if a majority of tenants return attestations that their incomes are at or below the lower-income level in a manner the Department shall determine. Notwithstanding the above, funds may be utilized for acquisition and rehabilitation of any property that was used as a Residential Hotel within the five years preceding the application for funding. (SEC.22.618.3(d)(1)ii.c.1.) The Department shall adopt a policy to prevent the displacement of households that qualified for a unit upon initial occupancy but thereafter exceed the income limits. Such households may be charged a rent commensurate with their current income levels. (SEC.22.618.3(d)(1)i.a.)
- **Covenants:** Each property and affordable unit, whether in rental or ownership housing, shall be made subject to a recorded covenant that establishes permanent affordability, as detailed in the measure.⁶ (SEC.22.618.3(d)(1)i.b)
- **Replacement, Relocation and Right of First Refusal:** Requirements for replacement housing, relocation of residents in an occupied property, and the right of first refusal on units made available in the future, as detailed in the measure, will apply. (SEC.22.618.3(d)(1)ii.c.)
- **Not Displacing Current Residents:** Notwithstanding the affordability provisions set forth in Sections 22.618.3(d)(1)(i).a. and 22.618.3(d)(1)(i).b. of this Code, existing residents of properties acquired pursuant to this Acquisition and Rehabilitation of Affordable Housing program shall not be permanently displaced, even if their incomes exceed the Lower Income Household limits, or any lower income limit set for a unit. Projects shall achieve 100 percent occupancy by Lower Income Households (or any lower Project-specific income limit) over time through unit turnover. (SEC.22.618.3(d)(1)ii.c.4.)
- **Resident Management and Resident Ownership:** Through a process the Department shall determine, the entity that acquires a property shall submit a plan for engaging residents in building management and operations, which may include a plan for tenant ownership such as a

⁶ The measure provides these additional details: 1. Each housing unit in the Project shall be used exclusively as a residence for households at the respective income level. 2. The housing cost or rent for such housing unit shall be no more than an affordable housing cost or affordable rent at the respective level of income. 3. No housing unit may be leased or subleased, except to a household at the level of affordability and for no more than an affordable rent for which the unit was dedicated. 4. Any resale of rental property funded by this initiative shall be restricted to non-profit entities or LEHCs, including but not limited to affordable housing corporations and CLT, to ensure the continued use of the dwelling units as affordable housing as provided in this section. 5. In the case of owner-occupied housing units, initial sales and all resales shall be restricted to purchasers whose household income does not exceed the income level to which the unit is dedicated and who do not pay in excess of affordable housing cost at that income level; or LEHCs or similar entities providing for resident ownership and affordability in perpetuity with an average affordability level for Lower Income Households and which allows not more than 20% of units to be owned and occupied at unrestricted market rates. Unrestricted market rate units shall not be used to calculate average affordability of units in a Project. 6. The term of the affordability restrictions contained in the covenant shall be in perpetuity, or such other maximum length of time as may be permitted by applicable law, except that an affordability covenant with a fixed term of no less than 55 years shall be acceptable only if necessary to meet requirements of other funding sources. 7. The affordability restrictions shall be senior to and not subordinated to any lien, deed of trust or condition or restriction to be recorded against the property, except for any land use-related affordability covenant, such that any entity taking title to the property or a dwelling unit by foreclosure or deed-in-lieu of foreclosure shall take subject to the affordability restrictions. (SEC. 22.618.3(d)(1)(i).b.)

Limited-Equity Housing Cooperative. The Department shall cooperate and facilitate plans for tenant ownership, and shall not unreasonably impose requirements that prohibit such ownership conversion. (SEC.22.618.3(d)(1)ii.c.5.)

- **No Leveraging Required:** Project funding may take the form of grants or loans, but shall not require the leveraging of additional forms of funding if such additional funding makes any of the conditions set forth in this subsection infeasible, or if funding precludes the future conversion of the property to tenant ownership. (SEC.22.618.3(d)(1)ii.c.6.)
- **Fund ADUs/JDUs:** Funds may be used to acquire, install, construct, or rehabilitate housing, including Accessory Dwelling Units (“ADUs”) and Junior Accessory Dwelling Units (“JDUs”), so long as all ADUs and JDUs are used as affordable rental housing or affordable homeownership. The Department may verify the use of ADUs and JDUs covered by this provision from time to time. (SEC.22.618.3(d)(1)ii.c.7.)
- **Acquiring Assisted Properties with Expiring Covenants:** The Department shall facilitate the use of funds from this Acquisition and Rehabilitation of Affordable Housing program to make offers to purchase assisted housing developments which are required to provide qualified entities an opportunity to purchase under California Government Code Section 65863.11 by acting within the deadlines established by that law. (SEC.22.618.3(d)(1)ii.c.8.)
- **Construction Work:** As detailed in the measure, prevailing wages will be paid for any construction or rehabilitation project receiving House LA funding; and all construction and rehabilitation Projects of 40 units and greater⁷ are subject to a Project Labor Agreement. (SEC.22.618.7).

Section C. Commitment to Racial Equity

House LA’s Goals include: “Deploying programs and policies funded through this initiative in such a way as to address racial segregation, dismantle racially exclusionary practices, and promote racial equity in housing, academic, and economic opportunities.” (SEC. 22.618.1(f)). In alignment with this purpose, the Acquisition and Rehabilitation for Affordable Housing Program seeks to enhance racial equity through resource distribution, implementation strategies, and outcomes. Furthermore, these Program Guidelines have been established in accordance with the Vision of the City of Los Angeles’ Office of Racial Equity, which states that “We envision a City that authentically engages communities most harmed by systemic racism, as leaders and collaborators, in the process of identifying data, distributing public resources, and reforming policies that impact outcomes of Civil + Human Rights and Equity.” Additionally, the Department must incorporate racial equity metrics in public program reports and evaluation.

⁷ The number of units means the maximum number of units authorized in any entitlement granted by the land use permitting authority for the development Project, regardless of whether construction proceeds in phases or ownership is divided.

Article II. Program Requirements and Procedures

Section A. Fund Manager Eligibility Criteria, Role and Implementation Plan^{8, 9}

The Department shall contract with a Fund Manager to award and manage the House LA Acquisition and Rehabilitation for Affordable Housing Program Funds. The contract with the Fund Manager will be for a 5 year term with an automatic 5-year renewal option, provided that funds are available. In addition to the program detailed in these Guidelines and if directed by the Citizens Oversight Committee, any direct funding of public entities and local housing authorities to acquire manage eligible Projects shall be in accordance with House LA Goals and requirements, and pursuant to Article II, Section D and Article III of these Guidelines.

Fund Manager Eligibility Criteria

The Fund Manager must be a nonprofit financial institution with experience making real estate loans and grants for the purpose for predevelopment, acquisition, rehabilitation, and preservation of affordable housing for low- or moderate-income residents. The Fund Manager must meet the following criteria:

- Has originated and serviced loans at least fifty million dollars (\$50,000,000) in loans to develop, maintain, improve, or acquire affordable housing, including loans for Naturally Occurring Affordable Housing.
- Has demonstrated an ability to process grants and/or loans for property acquisitions in a manner that is sufficiently expedient to facilitate the purchase of real property by a non-profit affordable housing organization within a 45 day escrow period.
- Has experience working with nonprofits which acquire and rehabilitate small multifamily properties (including Community Land Trusts and community development corporations) and that are deeply connected to residents in neighborhoods and communities, with an emphasis on historic communities of color that are facing Elevated, High and/or Extreme Displacement Pressures, as indicated by [Urban Displacement Map](#).

Furthermore, the Fund Manager selected during the first five-year cycle of House LA must:

- Have managed pools of funds
- Have previous experience implementing affordable housing lending activities involving local, state, or federal funds
- Have an office in Southern California, and
- Currently conduct lending activities within the boundaries of the City of Los Angeles

⁸ Adapted from Foreclosure Intervention Housing Preservation Program Draft Guidelines, May 2022
<https://www.hcd.ca.gov/docs/grants-and-funding/Foreclosure-Intervention-Housing-Preservation-Program-Draft-Guidelines.pdf>

⁹ Adapted from Permanent Affordability Program Set-Aside for Community Land Trusts/Limited Equity Housing Cooperatives. City of Oakland Housing and Community Development Department. Dec 2020.
<https://cao-94612.s3.amazonaws.com/documents/ACAH-2020-CLT-COOP-Program-Guidelines-Dec-17.pdf>

Additionally, it is desired that the Fund Manager has demonstrated experience both granting and lending funds for NOAH Acquisition and Rehabilitation Projects, specifically including Projects that are owned by the residents, or are planned for conversion to tenant ownership, through a Limited Equity Housing Cooperative or other form of tenant ownership.

Overview of Fund Manager's Role

In order to facilitate expeditious acquisition of properties in the real estate market, the City will contract with a Fund Manager to implement House LA's Acquisition and Rehabilitation for Affordable Housing program to serve eligible Project Sponsors across the City, with a prioritization of neighborhoods where lower-income renters are facing displacement pressures. The Fund Manager will be the Department's main point of contact with Project Sponsors to the Fund, and will be responsible for disbursing House LA Acquisition and Rehabilitation funds specified in the contract. The Fund Manager will also oversee all communications with Project Sponsors, and monitor each Project that receives funding through stabilization, including disbursing rehabilitation funds in accordance with the funding agreement.

The Fund Manager will record the Department's pre-approved covenant at the time of acquisition closing, and the Department will be responsible for all monitoring and enforcement duties under the terms of the covenant from the time that it is recorded. The Fund Manager shall not be responsible for monitoring or enforcement of the covenant.

Upon contracting with the Department, the Fund Manager will use these Guidelines to take the following steps, which are described in more detail below:

1. Develop Fund Manager Implementation Plan, Predevelopment fund criteria and structure, and Project application materials
2. Prequalify Project Sponsors
3. Accept potential Projects from pre-qualified Project Sponsors
4. Apply threshold criteria to assess Project pipeline
5. Notify Project Sponsors regarding Project funding
6. Fund Projects
7. Monitor Projects
8. Report to the Department

Fund Manager Implementation Plan

The Fund Manager will develop an Implementation Plan pursuant to these Guidelines, that shall include actions to be taken by the Department and the Fund Manager to develop the application process and forms pursuant to these Guidelines, for review and approval by the Department. These forms may include but not be limited to the following:

- Application materials, process for establishing eligible project sponsors

- Criteria and structure for a predevelopment fund, to support escrow deposits and due diligence expenses
- Project application, including development and operating budgets, unit mix, affordability levels, income and rent chart (or, if moving directly to ownership, Income and sales price chart), funding plan with amount of House LA funds requested, and form for submitting documents related to scoring in Article II, Section E.
- Guidelines regarding percentage, funding and use limitations of any commercial component (e.g., use limited to nonprofit or small business, with reasonable rent to support cash flows for the overall building operations).
- Approval process, waiver process, amendments and post-close increases
- Process and timeframes for transferring assets back to the City
- Legal Documentation: Regulatory agreement, Loan agreement, trust deed, promissory note
- Subordination agreement, and any other documents legally required to secure the City's interest in the property
- Reporting and Compliance forms
- Format for Resident leadership proposal
- Reporting and Compliance forms

The Fund Manager will then implement a qualification process for prospective Project Sponsors, roll out the predevelopment fund based on established structure and criteria, review and approve funding applications, and make grants and/or loans pursuant to these Guidelines.

The Implementation Plan shall also include actions to be taken by a Fund Manager (e.g., revision of the Project review and approval process) if funded Projects have a high rate of significant problems (e.g., acquisition falls through, rehabilitation costs greatly exceed initial estimates, Project does not achieve stabilization in a reasonable timeline).

Within 120 business days of contract execution, the Fund Manager must submit the Implementation Plan to the Department. Prior to submission, the Fund Manager will vet the proposed Implementation Plan with nonprofit affordable housing organizations based in Los Angeles that have experience with acquisition and rehabilitation during the previous three years. The Department will review the Implementation Plan and either approve it or request changes within 15 business days. If necessary, the Fund Manager will submit a revised plan based on the Department's feedback within 15 business days, subject to final approval by the Department, which will not be unreasonably withheld, within 5 business days.

Fund Manager Monitoring and Reporting Process

The Department will develop and implement a clear reporting plan to monitor Fund Manager activities and progress toward the program goals established by the House LA Citizens Oversight Committee. The Department will conduct an annual evaluation based on program-wide goals and commitments established by the House LA Citizens Oversight Committee, including based on racial equity metrics and outcomes pursuant to Article I, Section C of these Guidelines. The results of the evaluation will be made available to the Citizens Oversight Committee.

Section B. Fund Disbursal to Fund Manager¹⁰

House LA Program Funds designated for the House LA Acquisition and Rehabilitation for Affordable Housing Program will be provided by the City to the Fund in the form of annual grants, in an amount determined by the budget prepared by the House LA Citizens Oversight Committee and approved by City Council.

These funds will be utilized in accordance with program goals and commitments as established by the Citizens Oversight Committee and pursuant to Article II, Section D and Article III of these Guidelines.

At the time of contract execution between the Department and the Fund Manager, an initial disbursement of \$10 million (or a smaller amount if so directed by the Oversight Committee) will be made and \$40 million will be disbursed after the Fund Manager Implementation Plan is approved by the department. The Fund Manager can request that the Department release the next \$50 million in funding (or the remaining funds if less than \$50 million of Program Funds remains to be disbursed) each time the Fund Manager can demonstrate that 75 percent (75%) of the most recent disbursement received has been committed to projects per a written and approved commitment letter between the Fund Manager and qualified Project Sponsor. If any funds remain within the House LA Fund budgeted for the Program by June 30th of the Fiscal Year, the Department has the option to disburse some or all of the remaining funds to the Fund Manager by that date.

The Fund Manager will be compensated for all fund management activities through the annual grant of 2% of grant award amount, which shall be subtracted from the grant award.¹¹ The Fund Manager will be fully compensated through this mechanism for all management responsibilities related to the Acquisition and Rehabilitation fund, and will not charge additional fees associated with House LA-sponsored grants or loans made from the fund. In addition to this annual compensation, the Fund Manager will receive \$500,000 to fund "start up" activities and costs, in order to get systems, infrastructure, documents, etc. in place to operate the program.

Any interest accrued on idle funds held by the Fund Manager should be kept in a segregated account and any interest earned on such funds shall be used for making additional grants or loans to Project Sponsors. Interest accrued on City loans will be recycled back into the Program, with the goal of creating a very long-term source of revenue for the Acquisition and Rehabilitation for Affordable Housing Program. Accounting of accrual and use of interest will be included in an annual report to the Department. The report will be made available to the Citizens Oversight Committee.

¹⁰ Adapted from Foreclosure Intervention Housing Preservation Program Final Guidelines. Jan 2023.
<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/2022-Foreclosure-Intervention-Housing-Preservation-Program-Final-Guidelines.pdf>

¹¹ Affordable Housing Preservation Loan Term Sheet. New Generation Loan Fund. August 2021.
<https://static1.squarespace.com/static/5140e3b6e4b089f4051fb2c1/t/62a8c0158fd079787cee4a93/1655226389267/NGF+Vacant+Property+Loan+Term+Sheet+%26+Preservation+%28Aug-21%29+-+Uploaded+6-22.pdf>

Section C. Pre-Qualification of Project Sponsors¹²

To be eligible to receive funding for Projects from the Fund Manager, a Project Sponsor shall be any one of the following:

- A. A Community Land Trust which is a non-profit corporation within Section 501(c)(3) of the Internal Revenue Code that satisfies all of the following: (I) Has as its primary purposes the creation and maintenance of permanently affordable single-family or multifamily residences; (II) All dwellings and units located on the land owned by the non-profit corporation are sold to a qualified owner to be occupied as the qualified owner's primary residence or rented to Lower Income Households or Moderate Income Households, or held by the non-profit corporation for the same purpose; (III) When a dwelling or unit that is situated on land owned by the non-profit corporation is sold to a qualified owner, the land is leased by the non-profit corporation to the income-qualified owner for the convenient occupation and use of that dwelling or unit for a renewable term of 99 years.
- B. A Limited Equity Housing Cooperative as defined in Section 817 of the California Civil Code.
- C. A non-profit entity within Internal Revenue Code Section 501(c)(3), which demonstrates a history of affordable housing development and/or affordable housing property management experience, as defined in the experience criteria below.

Additionally, Project Sponsors must meet the following experience criteria:

- Project Sponsors must have experience in acquiring and rehabilitating at least 3 properties and managing it as affordable housing with building typology comparable to those of Article II, Section D of these Guidelines, within the last 10 years. Details on all completed Affordable Housing Development projects within the last 10 years should be provided and demonstrate good financial performance along with proper habitability standards. This documentation must also show program design and planning for the projects' long-term affordability as well as to ensure proper compliance (e.g., annual verification of primary residence, annual income verification (for rental properties), resident selection procedures that meet fair housing requirements).
- Project Sponsors must have a minimum of 2 years of experience with resident engagement in design and/or management, community organizing or providing services to low-income communities, preferably with specific experience in affordable housing ownership by residents or by organizations that are controlled by a majority of lower-income community residents. Partnering with a community-based organization, CLT or other organizations with tenant leadership experience can count toward this requirement.
- Project Sponsors shall maintain employees or hired consultants with professional experience necessary to carry out the duties of managing the acquisition, rehabilitation, leasing, and management of affordable housing projects.

¹² Adapted from Foreclosure Intervention Housing Preservation Program Final Guidelines. Jan 2023.

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/2022-Foreclosure-Intervention-Housing-Preservation-Program-Final-Guidelines.pdf>

- Project Sponsors (or all entities in a Partnership) must have a demonstrated commitment to advancing racial equity and reducing racial disparities in housing outcomes, as evidenced by¹³:
 - 1. A profile describing the organization’s mission, length of existence, staff experience, characteristics of its Board of Directors, and its commitment to affordable housing and advancing racial equity,
 - 2. A narrative analysis of racial disparities in housing outcomes in the organization’s geographic coverage area, e.g., income by race, housing cost burden by race, history of displacement of residents of color,
 - 3. A description of actions the organization is already taking to reduce racial disparities in housing outcomes, e.g., tracking the race and ethnicity of residents served by the organization, engaging with residents to inform the organization’s work, marketing projects to different racial and ethnic groups, using a tenant or homebuyer selection process that does not disadvantage certain racial groups (e.g., using a lottery for Project Sponsors selection rather than first-come-first-served, reducing or eliminating use of criminal background checks or credit checks), and
 - 4. A plan for additional actions the organization will take to reduce racial disparities in housing outcomes (see examples under previous item).
- Project Sponsors must have the following property management experience or contract with a company meeting this criteria:
 - The Applicant or the Applicant’s management agent must have managed at least one Affordable Housing Development for at least 24 months.

In accordance with SEC.22.618.3(d)(1)ii.c.1. of the measure, if a CLT or LEHCs does not fully meet the eligibility and capacity criteria, the organization may qualify for funding from this initiative without demonstrating a history of affordable housing development and/or affordable housing property management experience by:

- A. Partnering with experienced non-profit organizations, as evidenced by:
 - a. Presenting a partnership agreement or MOU with an experienced non-profit organization that meets the eligibility and capacity criteria
 - b. Partnership agreements should show (i) allocation of share of the developer fee, cash flow, and net sale proceeds and (ii) outline of roles and responsibilities between developer and partner organization(s)--for example, agreement should show how tasks related to resident leadership development will be allocated.¹⁴
- B. Show evidence of staff capacity adequate to manage and administer the affordable housing Project, as determined by the Fund Manager and consistent with the purpose of this House LA Program.

¹³ Foreclosure Intervention Housing Preservation Program Final Guidelines. Jan 2023.
<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/2022-Foreclosure-Intervention-Housing-Preservation-Program-Final-Guidelines.pdf>

¹⁴ Program Parameters and Guidelines for House LA’s Alternative Models for Permanent Affordable Housing.

With each request for funding renewal, the Fund Manager will submit a report to the Department on all Project Sponsors, whether approved or denied, and if denied, the reasons for denial. The report will be made available to the Citizens Oversight Committee.

Section D. Eligible Project Type and Threshold Requirements

Eligible Project Type

In order to contribute to meeting House LA's overarching Goals, and in accordance with House LA's requirements for the Acquisition and Rehabilitation for Affordable Housing Program summarized in Article I above, Eligible Project Types include one or more of the following:

- Acquisition, preservation, rehabilitation, lease, or operation of existing housing including but not limited to rent controlled properties that are not regulated by existing covenants requiring affordability.
- Acquisition, preservation, rehabilitation, lease, or operation of existing housing including but not limited to rent controlled properties that are regulated by existing covenants requiring affordability that will expire within ten (10) years of Project onset, as the Department defines that term consistently with the purposes of the Measure.
- Preservation and rehabilitation of LIHTC properties approaching end of compliance and not seeking resyndication, with tenants on track to take ownership of their buildings, and the property meeting all other requirements.
- Acquisition, preservation, rehabilitation, lease, or operation of Residential Hotels, as defined in Section 50519(b)(1) of the California Health and Safety Code.
- Acquisition, installation, construction rehabilitation, legalization and/or permitting, lease or operation of Accessory Dwelling Units (ADUs), Junior Accessory Dwelling Units (JDUs), and Unpermitted Dwelling Units (UDUs)

Threshold Requirements

In addition to being an Eligible Project Type, the Project must meet the following Threshold Requirements:

- A majority of a property's units, at 50% or more, must be occupied by Lower Income Households upon acquisition, which shall be assumed if a majority of tenants return attestations that their incomes are at or below the lower-income level in a manner the Department shall determine. Notwithstanding the above, funds may be utilized for acquisition and rehabilitation of any property that was used as a Residential Hotel within the five years preceding the application for funding.
- Existing residents of properties acquired pursuant to SEC.22.618.3(d)(1)i.a. of this Acquisition and Rehabilitation of Affordable Housing program shall not be permanently displaced unless otherwise required by law, even if their incomes exceed the Lower Income Household limits, or any lower income limit set for a unit. Projects shall achieve 100 percent occupancy by Lower Income Households (or any lower Project-specific income limit) over time through unit turnover.

- Site control is not required at the time of application but funds will only be released at the time of or after fully documented site control.
- All residential units must meet City’s definition of ‘dwelling unit’ and fully conform to applicable local codes. If a Project includes unpermitted or illegal units, whether occupied or unoccupied at time of acquisition, legalization and permitting of the units must be included in the Project scope.
- Properties with commercial spaces are eligible, so long as the majority of the project is residential. Subsidy calculation and use requirements for the commercial space will be based on guidelines established by the Fund Manager.
- Project Sponsor must submit a draft Resident Leadership Plan to incorporate existing and future residents of properties acquired pursuant to this Acquisition and Rehabilitation of Affordable Housing program into the Resident Engagement activities pursuant to Article III of these Guidelines. The Plan will be updated after escrow and based on initial engagement with existing tenants.
- Properties acquired with the intent of converting to LEHCs should be considered as homeownership projects.¹⁵
 - Existing tenants have the right to remain in units as tenants.
 - Project Sponsor is required to coordinate resident engagement pursuant to Article III of these guidelines.

Section E. Process for Pre-Qualified Project Sponsors to Request Funding for Eligible Projects

This program is intended to be a rolling application/award program. Only Project Sponsors that have been successfully prequalified may request funding for Eligible Projects. A LLC, partnership, or joint venture composed entirely of prequalified entities is considered a Pre-qualified Project Sponsor and is also eligible to request funding. Funding requests will be reviewed by the Fund Manager in the order they are received. To be eligible, all Projects must meet Eligible Project Type and Threshold Criteria outlined in Section D. The Fund Manager may require periodic updates of pre-qualification application materials (e.g. financials, portfolio strength, any changes to key staff).

Eligible Projects will be underwritten, notified of funding decisions, and receive funding within the constraints of a 30-45 day escrow period. If the Project Sponsor negotiates longer escrow terms, the Fund Manager will extend the fund processing deadlines to match requirements of the escrow timeline. Alternatively, the Fund Manager may opt to accommodate a shorter escrow timetable if requested by the Project Sponsor on a given Project, but is under no obligation to do so.

In the case that the Program is oversubscribed, for applications received within 10 business days of each other, if the Fund Manager seeks to diversify geographic distribution of funded Projects, and/or if the Fund Manager seeks to distribute funding more equitable across Pre-qualified Project Sponsors, the Fund Manager will apply the following assessment and scoring to determine funding priority:

¹⁵ Berkeley Small Sites Program <https://berkeleyca.gov/sites/default/files/2022-04/Housing-Trust-Fund-Guidelines.pdf>

1. [2 points] Buildings at imminent risk of Ellis Act eviction;
2. [Maximum of 5 points] Properties with tenants at high risk of displacement, as evidenced by:
 - a. Landlord Harassment [1 point] (Documentation may include copies of emails, texts, letters, or a written narrative from tenant of landlord harassment)
 - b. 3-Day Notices, No-Fault Eviction Notices [1 point] (Documentation shall include copies of 3-Day Notices and/or No-Fault Eviction Notices)
 - c. Rent Burdened Households (at least 10 percent of households are paying more than 50 percent of their monthly household income in rent) [1 point] (Documentation may include evidence from the rent roll provided with application, and/or information provided on rent burden on the application form)
 - d. Households that have received a rent increase of greater than 10 percent within the last 12 months [1 point] (Documentation may include copies of lease agreements documenting rent level changes over the last 12 months).
 - e. Property owner is in violation of, or has multiple complaints related to, documentable City rental housing laws, including other properties owned by the same owner in Los Angeles. [1 point] (Documentation shall include copies of written complaints submitted to the City by tenant(s), hearing decisions, Code Enforcement notices, or City-issued citations.)
 - f. For occupied properties, at least 51% of current tenants include vulnerable populations including families with minor children (age 17 and under), seniors (age 62 and older), disabled as defined by the California Government Code at §12955.3 of the California Government Code, and/or those with language barriers. [2 points]
 - g. At least fifty-one percent (51%) of residents are extremely low-income (at or below thirty percent Area Median Income (30% AMI). [2 points]
3. [1 point] Property is in substandard condition (Documentation shall include photos/videos of the property; Written narrative detailing the substandard condition of the property; and/or Written documentation of violations of, or multiple complaints related to, documentable housing or building code deficiencies filed pursuant to California Housing Law or Los Angeles Code, including other Los Angeles properties owned by the same owner.)
4. [2 points] At least 51% of current tenants are supportive of and actively participating with the Project Sponsor in the effort to purchase the property [2 points] (Documentation shall include sign-in sheets, agendas or minutes from tenant meetings, signed tenant petition, and/or signed statements from tenants.)
5. [2 points] Project Sponsor has experience in leading required resident engagement activities as outlined in Article III. (Documentation shall include sign-in sheets, agendas or minutes from tenant meetings, signed tenant petition, and/or signed statements from tenants.)
6. Property is located in the following tiers of the Urban Displacement Project's Gentrification and Displacement Urban Displacement Map: Probable or Elevated Displacement Pressures [2 points], High or Extreme Displacement Pressures [3 points]
(<https://www.urbandisplacement.org/maps/california-estimated-displacement-risk-model/#>)

The Fund Manager may choose to review any Pre-qualified Project Sponsor's status for a probable cause, and request that that Project Sponsor reapply for qualification before requesting funding for future Projects.

The Fund Manager will submit a report to the Department on all Project applications, whether approved or denied, and if denied, the reasons for denial, to the Department with each request for funding and/or contract renewal. The report will be made available to the Citizens Oversight Committee.

Section F. Eligible Costs¹⁶

Eligible Project costs include:

- Pre-acquisition due diligence costs
- Purchase costs
- Holding costs associated with the property such as taxes, insurance and debt service
- Option fees, to be repaid no later than the date of the purchase of the property
- Due diligence reports, including environmental assessments and property inspections
- Legal costs
- Architectural and engineering expenses, as applicable
- Appraisals
- Gap financing costs
- Construction costs associated with rehabilitation
- Capitalized replacement and operating reserves
- Temporary and/or permanent relocation costs, as required by law and in accordance with SEC.22.618.3(d)(1)ii.c. of the measure
- Other costs reasonably associated with acquisition and rehabilitation and initial operations of the site, as approved by the Fund Manager
- Construction, installation, rehabilitation and/or permitting and legalization costs for ADUs, JDUs, and UDUs
- Payment for the fees, principal and interest on debt incurred for any of the above

Capitalized Operating Subsidy Reserves

¹⁷

A reserve shall be established by the designated Fund Manager to cover Project operating deficits. Any eligible project serving households with an average AMI of 50% or less is eligible for *Capitalized Operating Subsidy Reserve* for up to 20 years of operating subsidy if there is a demonstrated financial need, as determined by the Fund Manager. Up to \$175,000 per unit may be provided for the subsidy to cover anticipated operating deficits. The maximum per-unit subsidy amount will be adjusted annually based upon increases in the Consumer Price Index. The Fund Manager will determine the total amount of each project subsidy based upon the individual project underwriting performed by the Fund Manager

¹⁶ Permanent Affordability Program Set-Aside for Community Land Trusts/Limited Equity Housing Cooperatives. City of Oakland Housing and Community Development Department. Dec 2020.

<https://cao-94612.s3.amazonaws.com/documents/ACAH-2020-CLT-COOP-Program-Guidelines-Dec-17.pdf>

¹⁷ Adapted from Foreclosure Intervention Housing Preservation Program Final Guidelines. Jan 2023.

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/2022-Foreclosure-Intervention-Housing-Preservation-Program-Final-Guidelines.pdf>

pursuant to the requirements of these guidelines. Eligible uses funding the Project Sponsor's staff costs and overhead expenses throughout the subsidy term that are reasonably allocable to the following deliverables, as applicable:

- Verification of applicable tenant income and other qualifications;
- Submission of annual operating budgets to the Fund Manager;
- Submission of all other reports and information required under these guidelines; and
- General project management after project stabilization

Cost Limitations

The Fund Manager, will be responsible for developing Project-level underwriting criteria and guidance on cost limitations, including minimum developer fee (not less than 15% Total Development Cost including acquisition) and maximum developer fees, commensurate with the need for financial stability of Project Sponsors. Smaller Projects are unable to achieve the same economies of scale as larger Projects; therefore, items like per-unit property management and asset management costs are likely to be higher. When developing Project-level underwriting criteria and guidance on minimums and maximums for pro forma assumptions, the Fund Manager should base the numbers on actual values (e.g., costs, vacancy rates) for small-scale acquisition and rehabilitation Projects. Additionally, the Fund Manager should ensure Projects are adequately capitalized for long-term success, including with adequate contingencies and operating and replacement reserves.

The Fund Manager will vet proposed underwriting criteria and cost limitations with nonprofit affordable housing organizations based in Los Angeles that have experience with acquisition and rehabilitation of occupied multifamily properties during the previous three years.

The Fund Manager will submit initial underwriting criteria and guidance on cost limitations to the Department within 120 business days of contract execution. The Department will review and either approve the initial underwriting criteria and guidance on cost limitations, or request changes within 15 business days. The Fund Manager will submit revisions within 15 business days, subject to final approval by the Department within 5 business days.

The Fund Manager should refine the underwriting criteria and pro forma guidance numbers over time as real-time cost information is gathered through funded acquisition and rehabilitation Projects. The Fund Manager may submit revised underwriting and cost limitations for approval by the Department whenever additional funds are drawn down, or more frequently as required based on changing market conditions. The Department will respond within the same timeframe as indicated above.

Accessibility Costs

Any construction or rehabilitation project receiving House LA funding will meet all accessibility regulations under Section 504 of the Rehabilitation Act of 1973, Americans with Disabilities Act, as amended, and California Building Code. However, Projects funded through the House LA Acquisition and Rehabilitation for Affordable Housing Program will be exempted from requiring a report from a Certified

Accessibility Specialist, as the additional requirements and lengthy timetable make the Goals and terms of this Program infeasible.

Operating Assistance - Vouchers

Any project that receives House LA acquisition/rehabilitation program funding is eligible to request additional operating assistance from House LA's Operating Assistance Program, in the form of Project Based Vouchers (PBV), a backstop for tenant-based Section 8 vouchers, or similar resource. Such operating assistance requests should be sized to cover anticipated or discovered operating deficits attributable to eligible units that are restricted to serve Acutely Low Income and Extremely Low Income Households (30% AMI and below). Project Sponsors should indicate if they anticipate requesting operating assistance based on 15 year budget projections. Project Sponsors should make requests for House LA Operating Assistance Program only after exhausting other options to secure operating assistance.

Awarded Project Sponsors will be required to submit updated budget projections including unit mix and operating budgets to the Fund Manager post-closing. The total amount of Operating Assistance each project receives will be determined based upon the individual project underwriting and the availability of assistance. The award notification must be received within the time constraints of the underwriting process, which is in turn scheduled to meet escrow deadlines.

Section G. Assistance Terms and Limits

Overview.¹⁸

Assistance will be provided on a per Project basis in the form of grants and loans.

House LA funds can be used for up to 100 percent of eligible Project costs. No developer equity is required. Project Sponsors may but are not required to leverage House LA funds with other funds. Specifically, as per SEC.22.618.3(d)(1)ii.c.6 of the measure, neither the Department nor the Fund Manager shall allow leveraging of additional forms of funding if such additional funding makes any of the conditions set forth in this subsection infeasible, or if funding precludes the future conversion of the property to tenant ownership.

The amount of House LA funding provided will vary based on the household income levels the Project will serve. Any maximum loan and/or grant amounts established by the Fund Manager will be adjusted annually based upon increases in the Consumer Price Index.

Fund Managers may make additional funding available on a case-by-case basis for Projects that provide exceptional community benefit (for example, providing very deep affordability and/or preventing

¹⁸ Adapted from Foreclosure Intervention Housing Preservation Program Draft Guidelines. May 2022.
<https://www.hcd.ca.gov/docs/grants-and-funding/Foreclosure-Intervention-Housing-Preservation-Program-Draft-Guidelines.pdf>

displacement).¹⁹ Priority scoring criteria in Section E may assist the Fund Manager in determining projects that provide such exceptional benefit.

All units shall be subject to a covenant that meets the requirements of Section 22.618.3(d)(1)(i).b. Permanent affordability agreements or regulatory agreements will be recorded on the property at the time the loan is closed and will restrict the property to low-income occupants at certain income limits in perpetuity.

Assistance Terms

The Fund Manager shall provide Project Sponsors with the choice to receive funding in the form of a grant, a 1% interest loan with up to 60 year term, or a combination of the two. The underwriting process may, for example, start with a 60 year, fully amortized, 1.00% loan, potentially with an interest-only period to start (e.g. 3, 5, 10 years), and with grant funding allocated to fund the remaining gap.

Grants and loans under this program will be assigned to the Department, and will be transferred to LAHD in an expeditious manner through a pre-approved process to ensure the Fund Manager is not burdened with debt. Loan funds from this program will be used by LAHD with a goal of creating a regenerative pool of funds dedicated to the long term development and sustainability of this program.

In order to comply with requirements of SEC.22.618.3(d)(1)ii.c.5.,²⁰ City grant and loan agreements will specifically allow for future or, when applicable, contemporaneous conversion to tenant ownership. Among other permissible activities and outcomes, any loan should be assumable by any entity that is owned or controlled by the tenants.

Fund Manager shall make predevelopment funding, including funds for earnest money deposits and funds for pre-acquisition due diligence activities and reports, available to approved Project Sponsors in an expeditious manner, including before the organization has a specific eligible Project to pursue. The Fund Manager may place a per sponsor maximum on this predevelopment funding.

The Fund Manager is encouraged to develop additional creative ways to work with Pre-qualified Project Sponsors on a more programmatic basis rather than just Project-by-Project; for example, by instituting some form of a “line of credit” the organization can easily draw on,

In many cases, Pre-qualified Project Sponsors must acquire properties quickly in order to compete with investors, limiting the amount of due diligence that can be done prior to acquisition. NOAH properties serving low to extremely-low income households are also expected to have significantly higher need for rehabilitation, some that may be discovered after property acquisition that could not have reasonably been known before acquisition. If the Project Sponsor discovers additional rehabilitation needs after

¹⁹ Adapted from Foreclosure Intervention Housing Preservation Program Final Guidelines. Jan 2023. <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/2022-Foreclosure-Intervention-Housing-Preservation-Program-Final-Guidelines.pdf>

²⁰ “The Department shall cooperate and facilitate plans for tenant ownership, and shall not unreasonably impose requirements that prohibit such ownership conversion. (SEC.22.618.3(d)(1)ii.c.5.)

property acquisition that could not have reasonably been known before acquisition, the Project Sponsor can apply for additional funds for the additional rehabilitation. If no additional funds are available, the project will be in line for funding from a subsequent tranche.

As the Project approaches stabilization, the Project Sponsor may consult with the Fund Manager to identify how much (if any) outside financing the Project can/will secure from other sources to ensure long term financial stability. The Department recognizes that some Projects, particularly small rental Projects that serve Very Low-Income households, may not be able to secure outside financing and will need all of the initial House LA funds to remain with the Project as long-term gap financing.

Loan Documentation and Security

Each grant shall be documented by a grant agreement and recorded regulatory agreement or affordability agreement, as applicable. Each loan shall be documented by a loan agreement, promissory note, deed of trust, and recorded regulatory agreement or affordability agreement, as applicable. The City will draft such documents within 60 days of allocation of Program Funds, and in consultation with the Fund Manager and potential/likely future Project Sponsors, whose recommendations will be incorporated as is appropriate and feasible.

The Department may agree to subordinate its deed of trust, if it becomes necessary to do so for Project feasibility. The City will not subordinate its regulatory agreement or affordability agreement to private lenders.

The affordability restrictions shall be senior to and not subordinated to any lien, deed of trust or condition or restriction to be recorded against the property, except for any land use-related affordability covenant, such that any entity taking title to the property or a dwelling unit by foreclosure or deed-in-lieu of foreclosure shall take subject to the affordability restrictions.²¹

Upon closing, the loan documents are automatically assigned to the Department, except in the case where a services agreement is tied to the Project, providing the Fund Manager with the responsibility and adequate compensation to oversee the disbursement of proceeds during rehab and manage this process for some period of time, not to exceed 90 days post rehab completion.

²¹ Permanent Affordability Program Set-Aside for Community Land Trusts/Limited Equity Housing Cooperatives. City of Oakland Housing and Community Development Department. Dec 2020.

<https://cao-94612.s3.amazonaws.com/documents/ACAH-2020-CLT-COOP-Program-Guidelines-Dec-17.pdf>

Section H. Fund Manager Application and Award process (to be developed by LAHD)

Section H. Legal documents (to be developed by LAHD)

Section I. Reporting and performance requirements (to be developed by LAHD)

Section J. Labor provisions (to be detailed by LAHD, consistent with ULA SEC.22.618.7.)

- All Projects: Prevailing Wage
- New construction and rehabilitation of 40 units and up: Project Labor Agreement

Section K. Defaults & cancellations (to be developed by Fund Manager and LAHD)

Article III. Resident Participation in Management and Ownership

Section A. Overview

The purpose of the Acquisition and Rehabilitation for Affordable Housing program is to prevent displacement and increase access to permanently affordable housing by building stronger individuals, families and communities through the work of acquiring, rehabilitating and managing the housing. In the traditional affordable housing model, the developer becomes the owner and the residents remain in a contained role as tenants and not as actively-engaged residents, nor as potential owners with wealth building opportunities. Tenants are usually not consulted on forming the operating and leasing policies, which is in large part due to the prescriptive nature of the funding programs. Tenants are also not consulted on budgets and financial decisions in the building. The Acquisition and Rehabilitation for Affordable Housing program will address racial segregation, dismantle racially exclusionary practices, and promote racial equity in housing through resource distribution, implementation strategies, and outcomes to advance wealth building and self determination in low income communities of color.

An alternative model that shifts the relationship between the tenant and their housing can be structured in many ways. Residents could be involved as elected or appointed resident representatives that have a say on the policies and financial decisions of the building. A formally-organized Resident Council can act as the intermediary between the owner and the building-wide residents, or even with other stakeholders in a neighborhood. Like a union, this body can negotiate the policies and decisions with the owner directly, but still be subject to the prescription of the funders. Direct and sole resident operating and financial authority may have to come under an ownership model, which may be limited equity, among other non-market features. An intermediate model could have the owner – either a non-profit developer or an organization like a CLT – reserve seats on its Board of Directors specifically for residents.²²

The following sections outline resident leadership opportunities through; 1) resident-engaged management of rental housing, 2) ownership housing, or 3) properties that will be initiated as rental housing and will convert to a form of community and/or resident ownership in the future. Additional details regarding approaches to ownership are provided in *Attachment 4: Guide to Conversion of NOAH properties to Resident Ownership*.

To inform, facilitate and support an alternative approach where residents are playing an enhanced role with their housing, a citywide Resident Ownership and Management Resource Collaborative (Collaborative) will be available as needed by Project Sponsors and Partnerships to provide training to staff or residents living in House LA-funded housing to enhance and support their participation in the governance and/or ownership of their communities; and to provide training and support to developers, building owners and property managers that are practicing resident-engaged management, and/or resident ownership. Further explanation is detailed in *Attachment 5: Resident Management and*

²² <https://shelterforce.org/2022/08/16/breaking-nycs-housing-speculation-cycle/>

Section B. Minimum Required Resident Engagement Activities for Rental

The following are activities that, at a minimum, are required for rental properties funded through House LA's Acquisition and Rehabilitation for Affordable Housing Program:

- **Acquisition:** Prior to the acquisition of a Project (when such contact is approved by a seller), or within 30 days after acquisition (when seller objects to Project Sponsor's contact with tenants prior to acquisition), the Project Sponsor will outreach to property residents to complete income-based attestations pursuant to SEC.22.618.3(d)(1)ii.c.1.²³ As requested, the Collaborative will provide tools, templates, models and training to support this process.
- **Predevelopment:** As early as possible in the process, the Project Sponsor and/or property management team will engage residents. During predevelopment, outreach is to include engagement in decision-making regarding rehabilitation aspirations, and discussing property management aspirations and leasing concerns. Engagement may also include discussion regarding increasing unit size, adding ADUs/JDUs, and/or legalizing any UDUs. Resident input and preferences will be considered and incorporated into the Project to the maximum extent feasible, while prioritizing health code violations, ensuring quality, and not deterring increased density and/or expeditious timeline for the Project. If this resident engagement is coordinated with or performed by a community partner instead of Project Sponsor, the type and intensity of outreach can be determined collaboratively. After initial income verifications are completed and while engaging tenants about development and rehab needs and aspirations, early outreach may include, as is feasible and appropriate: education on conversion to restricted affordability; potential tenant roles in property and/or asset management; community land trust stewardship (if a CLT is involved in the Project); and/or potential opportunities for tenant-ownership, As requested, the Collaborative will provide tools, templates, models and training to support this process.
- **Rehabilitation:** Rehabilitation of apartment buildings is required to at a minimum follow all legal requirements for ensuring habitable conditions, as noted in SEC.22.618.3(d)(1)ii.c. of the Los Angeles Administrative Code and Tenant Habitability Program ordinance as noted in Los Angeles Municipal Code, Chapter XV, Article 2. It is also the responsibility of the Project Sponsor to ensure proper coordination of the temporary relocation of tenants, including comparable accommodations for temporary relocation and Relocation Assistance Determination. As requested, the Collaborative will provide information and education to the tenants the purpose

²³ "1. A majority of a property's units must be occupied by Lower Income Households upon acquisition, which shall be assumed if a majority of tenants return attestations that their incomes are at or below the lower-income level in a manner the Department shall determine. Notwithstanding the above, funds may be utilized for acquisition and rehabilitation of any property that was used as a Residential Hotel within the five years preceding the application for funding."
(SEC.22.618.3(d)(1)ii.c.1.)

of which is to advance the efficacy of quickly completing the rehabilitation, while making the current tenants as comfortable as possible.

- **Property Management:** Residents should be engaged in the process of ascertaining and deciding on the financial, physical and community health of the property. Resident engagement activities should at a minimum include:
 - Monthly office or informal gathering between property management and residents to discuss and resolve specific building issues as they arise (in addition to issues that need immediate attention throughout the month). These meetings can also serve to build the capacity of residents to engage in ascertaining and deciding on property and asset management issues.
 - Quarterly residents meeting with property management to review the operations and management status of the building and adjust the house rules and leasing parameters as appropriate and in accordance to laws and regulations
 - Bi-annually at mid-year and end of budget year, meeting with property management to review the building budget and actual financials to determine operating expense and capital investment priorities as well as to set the budget for the following year.

As requested, the Collaborative staff will provide skill-building training and on-going support to residents, building owners (if applicable) and/or property managers, to support these activities and to promote collaboration. In order to ensure that residents can effectively engage in these activities. The Project Sponsor, and/or as requested, the Collaborative staff, will provide training directly to residents regarding building finance and operations, as well as skill-building strategies related to communication and decision-making. These activities may be launched with residents before- or upon-acquisition.

- **Leasing:** In preparation for lease up of vacant units, and during the lease up period, Project Sponsor and/or property management team will engage residents in development of the lease up plan, which may include coordination with the Coordinated Entry System for any units set aside for special needs populations, as well as neighborhood-based outreach to inform and market the available units to neighborhood residents above and beyond Affirmatively Furthering Fair Housing. When the property is intended to convert to ownership, outreach must incorporate education on affordability compliance qualifications, and opportunity/plans for tenant-ownership. As requested, the Collaborative will provide tools, templates, models and training to support this process, as well as supporting engagement with any centralized system that provides preferences or placement priorities.
- **Residents Council:** If residents desire, Project Sponsor staff will work with residents, the building's property manager, and potentially also the building's owner to support the formation of a Residents Council as a formal body to engage with the property manager and/or building owner regarding the above matters. Additionally, the Resident Council may represent the building when engaging with other neighborhood stakeholders such as its Neighborhood Council, elected and appointed representatives as well as area businesses to advocate for economic and quality of life improvements. As requested, the Collaborative will provide tools, templates, models and training to support this process, as well as supporting engagement with any centralized system that provides preferences or placement priorities.

- **Resident Training:** Project Sponsor staff will organize training on-going to help residents learn about everything related to managing a residential building, including leadership, organizing, mediation, property management, asset management, building budgeting, systems & repairs, and tenant-landlord law. Project Sponsor staff will also assist residents and property managers to be clear about their distinct roles. As requested, the Collaborative will provide tools, templates, models and training to support this process, as well as supporting engagement with any centralized system that provides preferences or placement priorities.

Section C. Minimum Required Resident Engagement Activities for Ownership

The following are activities that, at a minimum, are required for resident-owned properties funded through House LA's Acquisition and Rehabilitation for Affordable Housing Program:

- Financial, legal and design plans for ownership should engage current residents and/or any elected Resident Council; and such plans should be structured to maximize retention of current residents and their conversion from tenants to owners.
- Cooperative ownership requires both financial preparation and cooperative skills that must be built over time, whenever feasible, training and engagement in decision-making and legal formation by future cooperative owners should be incorporated into the process.
- If necessary and desired, the Project Sponsor may provide, or create access to resources, to work with residents to improve their credit scores, debt-to-income ratios, and remove other barriers in order to successfully qualify for mortgages and/or coop loans, as well as sustain ownership costs in the long-term. These activities may be centralized through the Collaborative, in order to achieve volume of activity and create expertise across the city.
- The Project Sponsor and/or community partner will work with the resident-owner to:
 - Form either the HOA or coop board and to elect its leaders/officers,
 - Assist the resident-owners and HOA or coop board to hire the property manager
 - Ensure -- on a monthly, quarterly and annual basis -- that the financial, physical and community health of the community is strong.

This may occur before or after a rental-to-ownership conversion is completed, depending on how the process is designed. As requested, the Collaborative will provide support and training; and by making case studies, models and templates available to the Project Manager, property manager and/or community partner, as well as provide direct technical assistance and support access to legal resources as needed. Furthermore, the Collaborative will make available on-going training in leadership, organizing, mediation, property management, building budgeting, systems and repairs, ownership financing, HOA/coop members' rights and responsibilities, and other areas of needs identified by developers, property managers, Resident Councils, HOA or coop boards, and individual residents.

Section D. Planning for the Unexpected

The buildings, whether rental or ownership, would incorporate financial strategies, during rehabilitation and in the long-term, to set up the building for long-term success. This is will include as a minimum the following:

- **Operating Reserves:** An operating reserve fund to provide a cushion for future shortfalls in the monthly/annual operations of the property, including vacancy. The Operating Reserves will be established through the development budget, and repaid as necessary from building cash flow. The requirement of the Operating Reserves should not limit the funds from being deployed as emergency housing-payment assistance with possible payback options as defined by each individual project.
- **Replacement Reserves:** A capital reserve fund to address the physical needs of the property and possible resident temporary relocation will be established through the development budget, and/or will be maintained as an on-going operating expense. Any lease with building owners, whether a non-profit developer, a CLT, a tenant association, a LEHC, or individual homeowners will include requirements for establishment and maintenance of the replacement reserves.
- **Community Conflicts:** An early activity in each building is to engage residents in establishing a Community Agreement, as a building-wide compact about how people choose to live together. It is critical to build trust through regular and meaningful communication among all parties and ensure the participation of all residents in the governance of their community. Inevitably, however, conflicts will arise, between residents and between residents and property management and/or owners. One of the roles of the Collaborative, as requested, will be to facilitate access to mediation resources and services, to support intrapersonal and building-wide relationships.

ATTACHMENTS

1. Prevailing Wage Requirements (to be developed by LAHD)
2. Project Labor Agreement (to be developed by LAHD)
3. Additional City documents as applicable (to be developed by LAHD)
4. Guide to Conversion of NOAH properties to Cooperative Resident Ownership
5. Resident Management and Ownership Resource Collaborative
6. Resident and Organizer Property Management/Oversight Training Manual

ATTACHMENT 4 (UNDER DEVELOPMENT)

Guide to Conversion of NOAH properties to Cooperative Resident Ownership

Outline of Key Steps and Estimated Timeline in Potential Conversion to Co-op

The following is an approximate timeline for conversion of a building that is acquired when occupied, and does not have organized tenants ready to set up co-operative housing. The timeline will vary depending on a CLTs capacity, new tenants' relationships and concerns, the rehabilitation process, and the individual circumstance of each building. Note that this is one version of a potential timeline, but each case will be individual, and the below should not prescribe a specific timeframe. Also, even tenants who initiate this process may decide, at any point in the process, to remain as a rental property or move forward with another of the below-listed variations.

- Year 1: Engage tenants during rehab of the building. Initiate education on CLTs and Cooperative Housing. Resident services in the form of capacity-building that facilitate tenant exploration of shared equity or cooperative housing are initiated, and provided on-going.
- Year 2: Establish a tenant group, if there is an expressed interest in coop conversion. Continue education/training. Optional to bring in legal counsel to support tenant education and training process, as appropriate.
- Year 3: Begin establishing shared management agreements that define the role and responsibilities of all parties based on the direction of tenants and their coop conversion process. If tenants have decided they are likely to form a co-op, support tenants in securing legal counsel.
- Year 4 (or later): Start transferring management to tenants. Negotiate transfer of mortgage with lender, or identify a new lending partner. If relevant, identify lenders for share loans. Establish structure and process for legal incorporation. Finalize tenant ownership model. Establish a program to save for share purchases, if included in the financial plan
- Year 5-6 (or later): Finalize legal incorporation of coop or tenant association, arrange for bifurcation of ownership of land and improvements as necessary, and transfer building ownership. Complete transfer of management to tenants. Continue providing support and access to training and resources regarding cooperative management.

Variations:

- An occupied building that has organized tenants that were engaged during acquisition of the property, including in cases where the tenants have brought the building to the CLT, are likely to be better prepared to set up co-operative housing, and may move through this process in an accelerated fashion, perhaps in as little as 3 years.
- The above process may result in the tenants deciding that the building should remain as a rental property that is owned and operated by the CLT with varying degrees of tenant engagement in management. At any point, tenants may decide to revisit plans for an ownership conversion.
- Alternatively, the process may result in a decision that the tenants decide to set up a non-profit that has ownership of the building, with the tenants engaged in the governance of the non-profit. This structure can take various forms, and is sometimes referred to as a no-equity cooperative, or a zero-equity cooperative, or a Mutual Housing Association (which may own more than one building).

Process for creating and legally incorporating a Limited Equity Housing Cooperative (LEHC)

LEHCs are the most complicated, and therefore we are providing a brief summary here:

- First, Articles of Incorporation are prepared, executed and filed with the Secretary of State.
- Next, the CLT and legal counsel work with the tenants to form a Board of Directors, draft corporate bylaws, submit a Statement of Information and Statement of Common Interest Development to the Secretary of State.
- The co-op will then file for tax exemption with the IRS and the State of California, register with the California Attorney General's Registry of Charitable Trusts, and engage with the County Assessor to establish property tax treatment. Additionally, the co-op must claim exemption from the Subdivided Lands Act and record a declaration.
- The final step is developing and executing a ground lease between the coop and the CLT.

Options for a cooperative model?

Assessing a co-operative model requires an initial evaluation of resident capacity, followed by capacity building training based on the results. There are two principle models for cooperative ownership:

Limited Equity Housing Cooperative: The Limited Equity Housing Cooperative (LEHC) requires the legal incorporation of an organization and the transfer of the improvements (building) to the LEHC, while the land remains with the CLT. A ground lease -- a legal document -- is created and signed by the two parties which indicate responsibilities of each party, relationship between parties, various use restrictions including affordability requirements, and the ground lease fee. The households in the building have to buy a share into the LEHC to be a part of the ownership. The share gives the household the right to live in a unit in the coop building. The owners will have the opportunity to earn equity on their share purchase once they are ready to sell. The amount of equity is capped at a certain percentage in order to retain the affordability of the building and share costs. CLTs use diverse formulas to calculate share prices and the equity a household can earn on their share.

Zero-equity or no-equity cooperative: Cooperative housing can also be under the ownership of a tenant association, which is established as a non-profit organization to own and manage the improvements. No equity accrues to the tenants because the households are not involved directly as owners. However, this cooperative structure does provide for resident control over property management. When combined with CLT stewardship, the cooperative can continue to be monitored and supported by the CLT. As with a LEHC, if ownership of the land and improvements is separated, the roles and responsibilities of the CLT and the tenant association can be memorialized through the ground lease. In some cases, a non-profit cooperative ownership structure can involve multiple properties, rather than just one, via a Mutual Housing Association (MHAs). The MHA is a nonprofit corporation that is governed by a Board of Directors that includes residents from the various buildings that are owned by the MHA, but may also include area residents or professionals on the Board.

Alternatively, or as a transition step that would help residents prepare for cooperative ownership, is:

Rent Equity Program: Rent equity models are programs in which participating residents fulfill the requirements of their lease agreement. The agreement includes paying their rent on time, attending monthly resident

meetings, and maintaining the property. Qualifying residents earn "equity credits" toward a cash payment. A Rent Equity Program integrates tenant engagement strategies that give residents an invested interest in managing their homes. Renter equity-based management systems require an accounting and bank account infrastructure that can assign value to a household's contribution by setting a schedule for earning credits. Some examples of how credits are backed include establishing program reserves in an account established by the property owner, which can be withdrawn as cash by the tenants after qualifying benchmarks have been met. A Rent Equity Program is one mechanism that could assist residents in saving to purchase cooperative shares when a building converts to a coop, while simultaneously supporting the residents in learning critical property management skills.

Roles of the Limited Equity Housing Cooperative (LEHC) members vs. the CLTs

The following matrix summarizes the roles of Community Land Trusts and Housing Cooperatives:

CLTs	Limited Equity Housing Cooperatives
<p>CLTs assure housing (and other community assets) remain permanently affordable. Land and Housing must be affordable to low-income and moderate-income people</p> <p>CLTs steward land through ground leases. CLTs set up 99 year ground leases to structures on top of the land. Monitor and enforce terms of the CLT ground lease.</p> <p>CLTs partner and have a variety of housing ownership models. CLTs also work with limited equity models and co-operative housing to sell/resale housing or structures on top of land.</p>	<p>Housing Co-operatives own (or sometimes leases) the property/structure and the members, also called tenant-shareholders, jointly own the corporation.</p> <p>The Co-operative corporation holds the mortgage (blanket mortgage)</p> <p>The member buys stock or shares or membership certificates. In limited equity co-ops, members sometimes obtain a loan to purchase the shares (share loan). The shares and the proprietary lease or occupancy agreement guarantee the loan.</p> <p>The member signs a self renewing lease, called a proprietary lease or occupancy agreement. This gives</p>

Community led board of directors structure that represents tenants of the land, at large community, and membership (identified in CLTs bylaws) of the CLT.

CLTs provide property management for multi-unit condos, rental housing, and co-op housing.

CLTs engage with subsidy source and lenders to acquire/rehab building initially, and then to support cooperative acquisition.

CLTs intervene to prevent foreclosure in buildings on CLT land.

CLTs collect, track, and report data on the CLT's performance and the success of its residents.

CLTs collect ground lease fees.

CLTs maintain connections with homeowners and renters after they move into CLT homes.

CLTs can, as an option, administer repair and replacement reserves for properties.

CLTs support and train tenants in creating and managing co-operative housing.

them a legal exclusive right to occupy a unit as long as the members fulfill its obligations to the co-operative.

The co-operative is responsible, as the owner of the property, for all legal and financial obligations. The member pays a monthly fee, also called a carrying charge or maintenance charges, to the co-operative based upon the number of shares or size of the unit.

The member's total carrying costs include the monthly fee and, if they have secured a share loan, the individual share loan repayment.

Most co-ops restrict the right of members to sell or lease their apartment. Protecting the right of the co-op to approve any new member/resident

Members are both tenants, as determined by the occupancy agreement, and owners because of the shares held in the co-operative.

<p>-----</p> <p>For more info: https://groundedsolutions.org/sites/default/files/2018-10/Community%20Land%20Trust%20Technical%20Manual_0.pdf#page=295</p>	<p>-----</p> <p>For more info: Co-operative Housing International Website https://www.housinginternational.coop/co-ops/united-states-of-america/</p>
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Additional Resources regarding Ownership Models

- CA CLT Network has created some template drafts comparing different models, found [HERE](#).

Determining Share Price paid by Tenant-Owner

The tenant pays a low price for shares or membership. Pro-rata share of the cooperative's blanket loan remains in place. The tenant assumes the seller's obligations under occupancy agreement. Growth in equity is limited through a limitation of resale prices. Generally, a formula is used to determine the portion the selling member will receive of the increase in value of the cooperative interest and the pay-down of the cooperative mortgage.

For an LEHC, each CLT will make its own decision about how to calculate a share price. Options include:

- By formula: Value of improvements value, divided by number of units
- By formula: Amount of value of rehab to get building into very good conditions, divided by number of shares
- Standard share price: \$5,000

In all cases, the combined total of share prices (the 'equity') can't exceed 10% of the total development cost per laws governing LEHC, but it seldom comes close.

Decisions about share price will be dependent on resident incomes and their savings, structuring the share price to be affordable for each household, and in a building with a greater mix of incomes can be structured for higher income households to help offset costs.

Determining monthly housing cost

Members pay a monthly carrying charge (also known as maintenance fees) to the cooperative, which is a pro-rata share of actual operating costs, blanket debt principal and interest, property taxes, management fees, maintenance costs, shared utilities, insurance premiums, and reserves.

When they are utilized, share loans -- which are loans secured by a resident-owner to support their purchase of a share in the LEHC -- are small. Share loan products are more common to lenders based on the East Coast than the West Coast. In some cases if the infrastructure has been established, share loans may be serviced by the cooperative or by the CLT. Coop members/shareholders who have secured share loans make individual principal and interest payments. These costs must be accounted for when calculating housing affordability.

Allocation of monthly housing costs

As explained above, almost all cooperatives charge residents a monthly carrying charge (often called a monthly maintenance fee). The amount of the monthly charge varies and typically covers a proportionate share of operating and maintaining the cooperative, which can include blanket mortgage payments, property taxes, management fees, maintenance costs, shared utilities, insurance premiums, and contributions to reserve funds. These can also be a portion of the per unit per annum operating expenses. For example in a cooperative conversion example for 5 units the total per unit per month expenses amount to \$6,750, divided by the 12 months that amounts to a \$112 housing costs per month per unit, the cooperative may prorate costs based on resident income.

Members have no personal liability on the cooperative's blanket loan. Members are obligated under occupancy agreements to make monthly carrying charge payments to the cooperative. Members with share loans (if any) are personally liable to their share lenders for the amount of the loan.

Three methods available to finance cooperative improvements:

1. Establishment, funding and use of replacement reserves.
2. Assessment of individual members for a pro-rata share of total cost.
3. New long-term blanket financing.

Challenges and Benefits of Co-op Structure

Challenges:

- Not having access to sufficient capital for acquisition/rehab.
- Requiring sufficient education to develop/implement the co-op through various phases of development.
- Lack of availability/familiarity of share loans from West Coast lenders.
- Conversion to cooperative may be a lengthier process depending on tenant financials and access to share loans.

Benefits:

- Create community stability and resident stability, and support efforts to stop gentrification and displacement
- Tenants will develop a relationship to investing in, remaining in and maintaining their homes.
- The cooperative share is an affordable way for tenants with lower incomes to hold ownership, and are a significantly less expensive entry into homeownership than a market-rate condominium.
- Housing cooperatives are less likely to undergo foreclosure, in particular when paired with community land trust stewardship, which has a proven track record of very low foreclosure rates.
- Cooperatives have a high occupancy rate; residents rarely choose to leave.
- Generally have lower cost per square foot than other housing types.
- Potential reduction in property management expenses, when performed by the resident-shareholders, which can be key to long-term financial stability and health of small multifamily properties (see response to Question 36).

Challenges and Benefits to remaining as a rental property if a co-op model is not selected by the tenants

Challenges:

- Tenants who want to access ownership may not be able to achieve that if their neighbors don't agree to the structure, given that conversion may only happen if all households agree to a cooperative.

- Tenants may be less inclined than others to participate in shared management and maintenance of property.

Benefits:

- The property will maintain affordable rents in perpetuity under a CLT model, increasing stability for low-income households and communities.
- CLT and tenants have the opportunity to build out a resident-managed rental housing model.

Financial Sustainability of a Cooperative

Financial sustainability of a cooperative will be determined through the following process:

1. Assess the financial stability of existing households to determine rents based on AMI
2. Track revenue and expenses for 2-8 quarters to develop a Projected budget
3. Develop a maintenance schedule to Project a timeframe of major capital improvement needs
4. Compare the maintenance schedule and budget to indicate when the property will need capital investment or withdrawals from replacement reserves
5. A conversion to a shared equity model can be considered when a significant capital improvement is Projected if the cost of rehab investment can be included in the financing. This assessment can be a benchmark. However, tenant financial capacity has to be considered when Projecting a possible conversion
6. NOTE: A small multi-family residential property will consistently operate near break-even, however, operational costs may begin to exceed cash flow overtime if:
 - a. Replacement reserves aren't sufficient to cover planned or unplanned maintenance expenses
 - b. The average rents have a high percentage of extremely low-income (ELI) or very low-income (VLI) households. Vouchers can assist with balancing rents with operational costs. If vouchers or other forms of revenue are not an option, rent revenue may not keep up with expenses in scenarios with a high concentration of low AMI rents
 - c. Reserves aren't sufficient to cover unplanned economic shifts
 - d. Major capital improvements are not part of the acquisition or conversion phase

Practices that support the possible reduction in operational costs include implementing tenant engagement strategies which give residents an invested interest in the management of their homes. These strategies include:

- Giving tenants a role in the decision making process related to the management of the site, including finances
- Develop a sustainable, collaborative decision making process
- Expand ownership benefits to include tenants, for example by implementing a rent equity program (see above)

Example financial model for future co-op conversion

The template financial model linked [HERE](#) examines a 5 unit cooperative conversion. The conversion assumes a gap of \$18,482 which enables tenants to access share prices for \$3,696. Residents will be able to save incrementally, work with the CLTs through a program to generate resources (such as through a Rent Equity Program as explained in Question 29, Individual Development Accounts or peer lending circles), or access to share loans.

Note that this model was constructed for program planning of the Los Angeles County CLT Partnership Acquisition-Rehabilitation Program, and continues to contemplate a single public subsidy source, but could be adjusted to layer with additional public or private subsidy sources. However, the process and timeline for delivery of any layered subsidy must not impede the transactional timeline driven by the real estate market, nor place additional requirements that are incompatible with the goals and structure of the LA County CLT Partnership Program.

Future loans/grants

As explained above, capital improvements should be assessed and scheduled, and matched with a payment schedule into a capital reserve fund. Additionally, at the time of conversion to a cooperative, when a blanket mortgage is secured by the cooperative, it may be possible to include resources for additional rehab (as is contemplated in the template proforma linked above).

At conversion, which may occur at any point from 18 months to 5 years after the initial acquisition (See Question 9 for more detail), the acquisition lender may allow transfer of the acquisition loan to the cooperative. Alternatively, the CLT will support the cooperative in identifying a mortgage - through a conventional lender or a mission-driven financial partner -- to finance the cooperative's purchase (which will pay off the acquisition loan), and potentially the additional capital improvements.

The appraisal for a CLT property is unique and requires an appraiser familiar with the Community Land Trust form of ownership. Fannie Mae and Freddie Mac issue guidance to funders regarding CLT mortgages, which can increase comfort for conventional lenders who are unfamiliar with the model. (examples: <https://groundedsolutions.org/tools-for-success/resource-library/mortgage-financing-options>).

If needed/desired, minor repairs, improvements, and replacement Projects, including green/climate resilience improvements, can be funded through grants from foundations such as Home Depot Foundation or local utility companies.

Costs, including debt payments, property taxes, maintenance costs and other expenses in Homeownership Model

Ideally, there would be little to no debt in the acquisition of the property, allowing tenants to be able to expeditiously convert to a limited equity or other form of cooperative ownership. Costs for property taxes, maintenance, utilities, and mortgage interest are paid through the monthly operating costs. These are distributed to each owner (shareholder) via a per month per unit payment, called maintenance fees.

For example in a 5 unit property total expenses including property taxes, insurance, pest control, maintenance, utilities, ground lease fee, and replacement reserves can amount to \$16-20k yearly. This amount can be divided into a per month per unit calculation which yields around under \$400 in housing costs per month that are collected from each household.

ATTACHMENT 5

Resident Management and Ownership Resource Collaborative

A citywide Resident Ownership and Management Resource Collaborative (“Collaborative”) will be established for the purpose of providing training to residents living in housing funded through either the Alternative Models for Permanent Affordable Housing (SEC. 2.618.3(d)(1)(ii).b.) or the Acquisition and Rehabilitation of Affordable Housing program (SEC. 2.618.3(d)(1)(ii).c.) of House LA), in order to enhance and support resident participation in the governance and/or ownership of their communities. As requested by fund recipients and to complement the work of developers and community partners and property managers, the Collaborative will provide training and support to developers, community partners, building owners and property managers that are practicing resident-engaged management, and/or resident ownership. As described in Article III of these guidelines, the Collaborative will support both rental and ownership projects throughout various stages of the development process. For Rental projects this can include: tools, templates, models and training to support predevelopment, leasing and property management activities with an overall focus on tenants training and education. If rehabilitation is required, the collaborative can provide education to the tenants on their rights. For Ownership projects this can include: supporting with marketing plan, homebuyer training, forming HOA or co-op boards, and ongoing trainings to ensure the health and sustainability of the buildings. The Collaborative’s role may evolve over time based on future policies established by the City to advance resident management and ownership opportunities.

The Collaborative will be established by organizations based in Los Angeles that have a history and mission of advancing the stability and role of lower-income and BIPOC residents in their housing, including but not limited to tenant rights organizations, tenant unions and CLTs. These founding organizations will design and vet all Collaborative program objectives and functions contemplated here. It is expected that the Collaborative staff will be recruited from the communities where the residents are likely to originate, and will be selected based on their previous civic activities and engagement and demonstrated commitment to fostering strong communities and supporting community members, with formal education and employment as secondary qualifications.

The Collaborative will be operated with grant funding from House LA’s Capacity-Building program (Section 2.618.3(d)(1)(ii).d.). As the Collaborative is being established and operationalized, these functions may be performed on a contractual basis by the organizations that are forming that Collaborative. A process establishing qualified organizations eligible for grant funding or service contracts related to the implementation of work performed by the Collaborative is to be developed prior to awarding of the grants or contracts. Initially, selected organizations can serve to establish and host operation functions and processes. As more resident-managed and resident-owned projects are completed, and more Resident Councils are formed, the Collaborative can set up a resident governance system, with a majority of the board directors elected from the Resident Councils.

In order to prepare for the role that the Collaborative will play in training and supporting residents, developers, and property managers, Collaborative staff will receive training in leadership, organizing,

mediation, property management, building budgeting, systems & repairs, and tenant-landlord law. On-going career and professional development will be offered throughout the year as a vehicle for both self-improvement and opportunity to collaborate with staff from sponsoring and collaborating organizations.

The Collaborative may offer support to such Resident Councils if established, in conjunction with and at the request of developers, community partners, building owners and property managers, and/or the residents themselves. Resident Councils can be established as informal or formal groups whose purpose is to have a substantial decision making role in the operations of their buildings. Some councils, especially in smaller buildings, may want to involve all residents in the deliberation, decision making and operating negotiation process; and in this situation, a formal organization may not be necessary. Some councils, especially in larger buildings, may want to incorporate, elect officers, and have a more formal process in its dealings with ownership and management. All interested residents regardless of council status can be trained in the subject related to housing operations, including leadership, organizing, mediation, conflict resolution, property management, building budgeting, systems & repairs, and tenant-landlord law. The Resident Councils may receive a nominal budget to provide transportation, food, childcare and other essentials necessary to encourage the participation of the widest range of residents.

On an annual basis, or more frequently depending on terms defined in the grant, the Collaborative will provide a report to the Department. The goals of the report are to include but not be limited to: (1) to ensure that the Collaborative and the Department are co-learning about resident management and resident ownership best practices, (2) to inform the Department about developer participation in the program in order to create accountability assessing the impact of collective resident management and resident ownership goals of ULA, and (3) to assess developer program compliance and ensure accountability measures are implemented.

The Year 1 report will include, as a minimum: Design of role, operation, functions and processes; Creation and maintenance of the Resident and Organizer Property Management/Oversight Training Manual), Initial implementation of the Resident oversight requirement. Although metrics to gauge Collaborative's success will be developed as part of the formation and grant agreement process, they may include but not be limited to: Numbers of properties, units and residents being supported by the Collaborative; General community satisfaction level (via resident surveys); General health of the properties (and if there are problems, the explicit plans to address them with residents' agreement); Governance structure of the Collaborative (board members, their origins, experience, etc.); Staffing ratio; Collaboration and cross-training activities with developer, community partners and/or property management staff; Number, type of training conducted (for developers, community partners, property managers, and/or residents); Participation numbers.

ATTACHMENT 6 (UNDER DEVELOPMENT)

Resident and Organizer Property Management/Oversight Training Manual

1. Are the units being rented or sold and occupied by income eligible residents (at initial occupancy)?
 - Training materials:
 - Income and rent chart by unit OR income and sales price chart by unit
 - Vacancy, leasing, and sales reports as appropriate
2. Is rent being collected on time?
 - Training materials:
 - Rent ledger by unit
3. Is the building maintained?
 - Training materials:
 - Maintenance report by unit, repair description, progress status, close out
 - Building system lifecycle table by line item - system, replacement year, estimated cost with summary as compared to replacement reserve status and projections
4. Are the bills paid?
 - Training materials:
 - Monthly and quarterly accounting report
 - Variance report
 - Annual budget by category and detailed line items - based on industrial cost measure by unit, SF, building per year or per month
5. Is replacement reserve deposited? And capital improvements (not maintenance repair) kept up with schedule?
 - Training materials:
 - Building system lifecycle table - note replacements done or scheduled with cost
 - Replacement reserve and other reserve accounting by month or quarter AND annual
6. How is the building doing in terms of tenant relationships, eviction and conflict resolution?
 - Training materials:
 - Eviction step-by-step flowchart with time periods, forms, and intervention points for a) non-payment of rent (3-day notice) and b) other issues not related to non-payment of rent (30/60 day notice)

- Conflict resolution resources & training for organizers and resident volunteers - Loyola Law School Center for Conflict Resolution resources and Conflict Resolution Network materials

7. How to govern effectively?

- Training materials:
- Resources:

Appendix D

Homeownership Opportunities, Capacity Building, & Operating Assistance Full Program Guidelines

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Article I. General Overview

Section A. Introduction and Context

The November 2022 Citizens Ballot Measure ULA, which established the Los Angeles Program to Prevent Homelessness and Fund Affordable Housing (“House LA”), was written by affordable housing practitioners and successfully secured the support of 58% of voting Angelenos. The measure establishes robust funding to implement an array of homelessness prevention, tenant protection, housing production and housing preservation strategies. As a complement to these approaches, the Measure establishes that ten percent (10%) of House LA Program Funds will be directed to Homeownership Opportunities, Capacity-Building, and Operating Subsidies. Although the programs can exist and operate independently from one another, each provides essential funding to grow and diversify housing opportunities in Los Angeles.

The Guidelines prepared by the United to House LA Coalition and presented below are designed to address each of these distinct programs, and will guide the Los Angeles Housing Department or its successor agency (“Department”) in implementing a program in each area.

Section B. Purpose and Scope

The purpose of this document is to provide guidance to the implementation of House LA Program Section 22.618.3(d)(1)ii.d. of House LA, which establishes that ten percent (10%) of the House LA Fund-Programs shall annually be allocated in the following percentages to three program areas:

- (1) Homeownership Opportunities: Up to 40% of this Fund,
- (2) Capacity-Building for tenant-ownership: No less than 10% of this Fund, and
- (3) Operating Assistance: No less than 50% of this Fund

Program descriptions in SEC.22.618.3(d)(1)ii.d. of the measure are as follows:

- **Homeownership Opportunities:** The program will support single family and cooperative Homeownership Opportunities, including but not limited to down-payment assistance, shared equity homeownership, and pre-development funding associated with creating such housing;
- **Capacity Building:** The program will provide Capacity-Building funding for Community Land Trusts and other organizations that serve and have representative leadership from Disadvantaged Communities and facilitate tenant ownership;

- **Operating Assistance:** The program will provide long-term Operating Assistance that supports new construction, acquisition, and/or rehabilitation of existing housing in the form of project-based, multi-year rental subsidies, operating subsidies, or service subsidies. Operating Assistance will prioritize projects housing Acutely Low Income Households and/or Extremely Low Income households; and projects that will maintain non-profit ownership, Community Land Trust stewardship, and/or shared-equity tenant ownership.

Additional program requirements detailed in the measure and applicable to the above programs are as follows:

- **Eligible Recipients:** To qualify for funding from the Affordable Housing Program, an applicant must demonstrate a history of affordable housing development and/or affordable housing property management experience, as the Department defines those terms consistently with the purpose of this article. Community Land Trusts and Limited-Equity Housing Cooperatives may qualify for funding from this initiative without demonstrating a history of affordable housing development and/or affordable housing property management experience by (a) partnering with experienced non-profit organizations, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, as determined by the Department and consistent with the purpose of this article. (SEC.22.618.3(d)(1)i.d.)
- **Affordability:** All units in a funded project shall be affordable to and occupied by Acutely Low Income Households, Extremely Low Income Households, Very Low Income Households, or Low Income Households. (SEC.22.618.3(d)(1)i.a.)
- **No Displacement:** The Department shall adopt a policy to prevent the displacement of households that qualified for a unit upon initial occupancy but thereafter exceed the income limits. Such households may be charged a rent commensurate with their current income levels. (SEC.22.618.3(d)(1)i.a.)
- **Replacement, Relocation and Right of First Refusal:** Requirements for replacement housing, relocation of residents in an occupied property, and the right of first refusal on units made available in the future, as detailed in the measure, will apply. (SEC.22.618.3(d)(1)ii.c.)
- **Construction Work:** As detailed in the measure, prevailing wages will be paid for any construction or rehabilitation project receiving House LA funding; and all construction and rehabilitation Projects of 40 units and greater²⁴ are subject to a Project Labor Agreement. (SEC.22.618.7).

Section C. Commitment to Racial Equity

House LA's Goals include: "Deploying programs and policies funded through this initiative in such a way as to address racial segregation, dismantle racially exclusionary practices, and promote racial equity in housing, academic, and economic opportunities." (SEC. 22.618.1(f)). In alignment with this purpose, the

²⁴ The number of units means the maximum number of units authorized in any entitlement granted by the land use permitting authority for the development Project, regardless of whether construction proceeds in phases or ownership is divided.

Acquisition and Rehabilitation for Affordable Housing Program seeks to enhance racial equity through resource distribution, implementation strategies, and outcomes. Furthermore, these Program Guidelines have been established in accordance with the Vision of the City of Los Angeles' Office of Racial Equity, which states that "We envision a City that authentically engages communities most harmed by systemic racism, as leaders and collaborators, in the process of identifying data, distributing public resources, and reforming policies that impact outcomes of Civil + Human Rights and Equity." Additionally, the Department must incorporate racial equity metrics in public program reports and evaluation.

Article II. Homeownership Opportunities

The city of Los Angeles and the state of California as a whole have substantial homeownership gaps with BIPOC families as compared to White families. As an effort to increase housing stability across all parts of the housing continuum, downpayment assistance for single-family home purchases shall (can) be set aside for BIPOC prospective homebuyers as an effort to maintain or grow diversity in the city of Los Angeles. All prospective homebuyers seeking to access these funds will be required to attend a HUD-certified homebuyer education course with an agency located in the city of Los Angeles. Considering the cost of single-family homes and condominiums in the city of Los Angeles, families seeking downpayment assistance from this source of funding will be allowed to have an income of up to 80% of the Area Median Income. Prospective homebuyers that are interested in purchasing 2-4 unit properties, will be required to occupy at least one of the units and complete landlord training to access funding through this source. Prospective buyers that purchase small multifamily properties will have to comply with tenant protections, and provide their tenants or non-profit organizations the opportunity to purchase if and when the properties are put up for sale.

As a result of increased activity in homeownership education and counseling, the City of Los Angeles shall pursue contracted partnerships with HUD-approved homeownership counseling agencies and Community Development Financial Institutions (CDFIs) located within the City of Los Angeles to administer and distribute downpayment assistance funding. Funding from this source shall be used for downpayment assistance, and closing costs. Prospective buyers can apply for loans up to 20% of the purchase price and receive a grant for up to 10% of the purchase price based upon income eligibility. Prospective buyers are required to contribute 1% of the purchase price from their own funds. An example of a proposed financing structure is as follows:

Purchase price: \$700,000

Buyer Downpayment: \$7,000

Loan: \$140,000 (deferred, due on sale, title transfer, first mortgage repayment, or in 30 years)

Grant: \$70,000

Mortgage Amount: \$490,000

Monthly Payment: \$3,203 with 30 year fixed @ 6.825% (does not include taxes & insurance)

Article III. Capacity-Building for Tenant-Ownership

Section A. Overview

For all but the highest income earners in the City of Los Angeles, pathways to homeownership are largely inaccessible due to the extraordinary cost of buying housing. House LA supports new models for collective homeownership for low-income households. Where ownership is not feasible, House LA supports greater tenant input into their building management.

House LA has created various opportunities for lower-income residents to develop additional authority over their housing, either through increased management responsibilities, or through a form of ownership. These opportunities are expressly included in the Alternative Models for Permanent Affordable Housing and the Acquisition and Rehabilitation for Affordable Housing Programs. The Alternative Models program requires that *“Residents shall have the right to participate directly and meaningfully in decision-making concerning the operation and management of the project.”* (SEC.22.618.3(d)(1)ii.b.5.) and *“Where feasible and desirable, the project shall include resident ownership, including but not limited to Limited-Equity Housing Cooperatives.”* (SEC.22.618.3(d)(1)ii.b.6.) The Acquisition and Rehabilitation program requires that *“...the entity that acquires a property shall submit a plan for engaging residents in building management and operations, which may include a plan for tenant ownership such as a Limited-Equity Housing Cooperative. The Department shall cooperate and facilitate plans for tenant ownership, and shall not unreasonably impose requirements that prohibit such ownership conversion.”* (SEC.22.618.3(d)(1)ii.c.5.). House LA Affordable Housing Programs also allows multiple additional pathways throughout the measure for Community Land Trusts and Limited Equity Housing Cooperatives to be exempted from the transfer tax, and to pursue various pathways to establish eligibility as fund recipients.²⁵ Through this language, House LA’s authors have created unprecedented resources to position tenants to have a different relationship to their housing, with new benefits, and also new responsibilities. These new benefits and structures of resident management and resident ownership will require infrastructure, and House LA is equipped to provide Capacity-Building for Tenant Ownership resources to accomplish this.

In the traditional affordable housing model, the developer becomes the owner and the residents remain in a contained role as tenants, and are not engaged either in decisions about their housing, or as potential owners. Tenants are usually not consulted on forming the operating and leasing policies, which is in large part due to the prescriptive nature of the funding programs. Tenants are also not consulted on budgets and financial decisions about the building.

²⁵ As an example, from Alternative Models for Permanent Affordable Housing: “A Community Land Trust or a Limited-Equity Housing Cooperative without a demonstrated history of affordable housing development and/or affordable housing property management experience may qualify for funding under this subsection by (a) partnering with an experienced non-profit organization, as determined by the Department and consistent with the purpose of this Article, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, as determined by the Department and consistent with the purpose of this article (SEC.22.618.3(d)(1)ii.d.)

An alternative model can be structured in many ways. Residents could be involved as elected or appointed resident representatives that have a say on the policies and financial decisions of the building. A formally-organized Resident Council can act as the intermediary between the owner and the building-wide residents, or even with other stakeholders in a neighborhood. Like a union, this body can negotiate the policies and decisions with the owner directly, but remains subject to the prescription of the funders. Direct and sole authority by residents over operations and building finances are likely to occur only through an ownership model, which may be limited equity, among other non-market features. An intermediate model could have the owner – either a non-profit developer or an organization like a CLT – reserve seats on its Board of Directors specifically for residents.²⁶

To inform, facilitate and support an alternative approach where residents are playing an enhanced role with their housing, the capacity-building funding provided by House LA should be structured to provide the necessary resources and infrastructure to facilitate resident management and resident ownership, by (1) funding a citywide resident ownership and management resource collaborative (collaborative) that will provide training to partnership staff, residents, developers, building owners and property managers in systems of governance and/or ownership of their communities; and (2) contracting for compliance monitoring and evaluation of resident management and ownership. These two approaches are detailed below.

In the future, activities funded through the Capacity-Building program may also include predevelopment funding, working capital and/or equity for under-resourced and under-represented organizations seeking to develop expertise in resident management and resident ownership models. However, such activities should not be duplicative of predevelopment or other funds provided through the other House LA programs, and instead should uniquely target organizations that require additional and tailored resources to get these tenant-centered, innovative projects moving forward.

Section B. Training for Resident Management and Resident Ownership

In order to support resident participation in the governance and/or ownership of their housing, a citywide resident ownership and management resource collaborative (“collaborative” - Name TBD) will be funded by the Department for the purpose of providing training for community management and ownership of housing, particularly housing funded through either the Alternative Models for Permanent Affordable Housing (SEC. 2.618.3(d)(1)(ii).b.) or the Acquisition and Rehabilitation of Affordable Housing program (SEC. 2.618.3(d)(1)(ii).c.) of House LA.²⁷

²⁶

<https://shelterforce.org/2021/07/09/housing-solutions-centering-community-in-ownership-control-and-long-term-affordability/>

²⁷ The collaborative may be modeled after Urban Homesteading Assistance Board (UHAB), a 50 year old non-profit organization based in New York City that works with rent-stabilized tenants and affordable co-ops providing services including co-op development, training for tenants and low-income housing co-ops, and, homeownership loans.

- (1) *Training Functions:* The collaborative will provide training and support upon request to residents, developers, community members, building owners and property managers who are currently or plan to practice resident-engaged management, and/or pursue resident ownership. The collaborative will support both rental and ownership projects throughout various stages of the development process. For rental projects this can include: tools, templates, models and training to support predevelopment, leasing and/or property management activities, with an overall focus on tenants training and education. If rehabilitation is required, the collaborative can provide education to the tenants on their rights. For ownership projects this can include: supporting the marketing plan, providing homebuyer training, forming Homeowners Association (HOA) or co-op boards, and providing ongoing training to ensure the financial health and sustainability of the buildings. The collaborative's role may evolve over time based on future policies established by the City to advance resident management and ownership opportunities.

The collaborative may offer support to Resident Councils if established, in conjunction with and at the request of developers, community partners, building owners and property managers, and/or the residents themselves. Resident Councils can be established as informal or formal groups whose purpose is to have a substantial decision making role in the operations of their buildings. Some councils, especially in smaller buildings, may want to involve all residents in the deliberation, decision-making and operating negotiation process; and in this situation, a formal organization may not be necessary. Some councils, especially in larger buildings, may want to incorporate, elect officers, and have a more formal process in its dealings with ownership and management. All interested residents regardless of council status can be trained in relevant subjects related to housing operations, including leadership, organizing, mediation, conflict resolution, property management, building budgeting, systems & repairs, and tenant-landlord law. The Resident Councils may receive a budget to provide transportation, food, childcare, interpretation and other essentials necessary to encourage the participation of the widest range of residents.

- (2) *Collaborative Organizational Structure and Funding:* The collaborative, to be funded in part or wholly by LAHD via ULA Capacity Building funding to perform the above functions, will be developed by organizations based in Los Angeles that have a history and mission of advancing the stability and role of lower-income and Black Indigenous and People of Color (BIPOC) residents in their housing, including but not limited to tenant rights organizations, tenant unions and CLTs. These founding organizations will design and vet all of the collaborative's program objectives and functions contemplated here. The collaborative will be operated with grant funding or through a contract with the Department, funded via the House LA's Capacity-Building program (Section 2.618.3(d)(1)(ii).d.). As the collaborative is being established and operationalized, these functions may be performed on a contractual basis by the organizations that are forming that collaborative.

Initially, as the collaborative is becoming operational, founding organizations can serve to establish and perform operational functions. A process identifying qualified organizations eligible

for a service contract to implement the collaborative's work should be developed prior to LAHD's award of the grant or contract, as part of the RFP or contract design, incorporating input from organizations that will be served by the collaborative. As more resident-managed and resident-owned projects are completed, and more Resident Councils are formed, the Collaborative may set up a resident governance system, with a board of directors including those elected from Resident Councils.

It is expected that collaborative staff will be recruited from the communities where the residents are likely to originate, and will be selected based on their previous civic activities and engagement, and demonstrated commitment to fostering strong communities and supporting community members. In order to prepare for the role that the collaborative will play in training and supporting residents, developers, and property managers, collaborative staff will be skilled and receive training in leadership, organizing, mediation, property management, building budgeting, systems & repairs, and tenant-landlord law. On-going professional development will be provided, along with the opportunity to collaborate with staff from sponsoring and partner organizations.

Section C. Evaluation and Compliance Monitoring for Resident Management and Resident Ownership

The Department will need to ensure that the City's investment of House LA's funds in resident management and resident ownership meets House LA program goals and requirements. This should include ongoing evaluation that generates opportunity for reflection, learning, troubleshooting, and co-creation of strategies for improvement.

Additionally, the City must establish a monitoring and compliance system, and integrate the monitoring and compliance with the aforementioned training programs and other capacity building functions of House LA, in order to create on-going improvement and maximize success.

Both are detailed here:

- (1) *Evaluation Activities:* On an annual basis, or more frequently depending on terms defined in the grant, the collaborative will provide a report to the Department. The goals of the report are to include but not be limited to: (1) ensure that the collaborative and the Department are co-learning about resident management and resident ownership best practices, (2) inform the Department about developer participation in the program in order to create accountability assessing the impact of collective resident management and resident ownership goals of ULA, and (3) assess developer program compliance and ensure accountability measures are implemented.

The Year 1 report will include, as a minimum: Design of role, operation, functions and processes; Creation and maintenance of the Resident and Organizer Property Management/Oversight Training Manual); and Initial implementation of the Resident oversight requirement. Although metrics to gauge the collaborative's success will be developed as part of the formation and grant

agreement/contracting process, they may include but not be limited to: Numbers of properties, units and residents being supported by the collaborative; General community satisfaction level (via resident surveys); General health of the properties (and if there are problems, the explicit plans to address them with residents' agreement); Governance structure of the collaborative (board members, their origins, experience, etc.); Staffing ratio; Collaboration and cross-training activities with developer, community partners and/or property management staff; Number, type of training conducted (for developers, community partners, property managers, and/or residents); Participation numbers.

- (2) *Compliance Monitoring*: The Department will utilize House LA Capacity-Building for Tenant Ownership funds to contract with organizations or other approved entities for compliance and monitoring of stewardship activities. These activities should include monitoring regulatory agreements to ensure that cooperative housing or other resident-owned or resident-managed entities are in compliance with affordability and other requirements. Alternatively, in order to ensure long-term sustainability of the monitoring and compliance practice, such services may be compensated on a fee basis by the resident owned and/or managed communities, with such services and fees budgeted into the projects as confirmed through the underwriting process.²⁸

Compliance activities should be geared to ensuring long-term stability and operating solvency of the resident owned and managed properties. To maximize success and effectiveness, compliance monitoring should be integrated with evaluation activities that engage residents and resident councils, as well as developers, building owners, community partners and property managers. Additionally, the compliance monitoring and evaluation should be coordinated with the training activities identified in the proceeding section, and may be most effectively carried out as an additional role of the collaborative. In practice, this may mean the Department contracts with the collaborative to proactively engage the resident-owned and -managed communities when budgets need to be prepared, elections held or reports regarding affordability compliance submitted; provide them with training as necessary in each of these areas; and then monitor and oversee those activities.

²⁸ <https://www.nyc.gov/site/hpd/services-and-information/rfps-rfqs-rfeis.page>

Article IV. Operating Assistance

Section A. Overview

House LA will provide long-term Operating Assistance that supports new construction, acquisition, and/or rehabilitation of existing housing in the form of project-based, multi-year rental subsidies, operating subsidies, or service subsidies. Operating Assistance will prioritize projects housing Acutely Low Income Households and/or Extremely Low Income Households; and projects that will maintain non-profit ownership, Community Land Trust stewardship, and/or shared-equity tenant ownership. In no case shall project-based Operating Assistance funding fall below fifty percent (50%) of the Homeownership Opportunities, Capacity-Building and Operating Assistance allocation, nor shall Capacity-Building funding fall below ten percent (10%) of the Homeownership Opportunities, Capacity Building and Operating Assistance allocation.

The Department will make available a number of rental subsidies and operating subsidies to support housing that serves Acutely Low Income Households and/or Extremely Low Income Households, who earn no more than 30% AMI and below. Operating Assistance eligibility and process will vary by program.

These guidelines propose three approaches detailed below: one tailored to Acquisition and Rehabilitation projects (Section B); one specifically for Alternative Models projects (Section C); and a “Backstop,” or insurance pool approach (Section D), which could be used by any of the production programs under ULA’s funding, including traditional multi-family affordable housing. The percentage dedicated to each approach is discussed in Section E.

Section B. Operating Assistance for House LA Acquisition and Rehabilitation for Affordable Housing Program

A number of project based vouchers, or similar assistance, will be made available to Acquisition/Rehabilitation program funded projects with units that serve households earning 30% AMI or less. There is no minimum special needs set-aside for acq/rehab program funded projects.

Awarded Project Sponsors will be required to submit updated budget projections including unit mix and operating budgets to the Fund Manager post-closing. The total amount of Operating Assistance each project receives will be determined based upon the individual project underwriting and the availability of assistance. The award notification must be received within the time constraints of the underwriting process, which is in turn scheduled to meet escrow deadlines.

By directing these subsidies to House LA Acquisition and Rehabilitation funded projects, the Department will meet the Capacity-Building Program priority of funding housing for ALI and/or ELI households; as well as the second priority of funding projects that will maintain non-profit ownership, Community Land Trust stewardship, and/or shared-equity tenant ownership.

Section C. Operating Assistance for House LA Alternative Models for Permanent Affordable Housing Program

A number of project based vouchers, or similar assistance, will be made available to new construction and rehabilitation projects funded by the Alternative Models for Permanent Affordable Housing Program, to assist in meeting the new construction portfolio level goal of at least 10% of the program units (on a two-year period basis) will serve special needs populations, including the homeless, mental & physical disabled, domestic violence survivors, transitional age youth, and reunification families.

Operating assistance will support units that are leased to ELI and ALI households earning 30% AMI or less.

For projects proposing to serve special needs populations (including the homeless, mental & physical disabled, domestic violence survivors, transitional age youth, and reunification families), the Department will prioritize special needs projects with a minimum of 25% mix or 50 special needs units.

By directing these subsidies to House LA Alternative Models for Permanent Affordable Housing funded projects, the Department will meet the Capacity-Building Program priority of funding housing for ALI and/or ELI households; as well as the second priority of funding projects that will maintain non-profit ownership, Community Land Trust stewardship, and/or shared-equity tenant ownership.

Section D. Tenant-Based Voucher Backstop

To stretch the operating subsidies dollars further, a portion of this funding program should go to a gap-financing tool that would guarantee the coverage of operating costs in the event that a unit dependent on tenant-based rental subsidy becomes vacant. Under this model, operating subsidy dollars would act as an insurance pool, or “backstop,” until the unit can be filled. This serves as a guarantee to investors that housing operation costs and rents will be covered if a unit dependent on a federal tenant-based voucher becomes vacant and there is no immediate replacement.

Backstops enable a developer to reassure lenders that a project relying on tenant-based vouchers, instead of project-based vouchers which may not be available in various situations, is economically viable over the long-term. In this way, the ‘backstop’ model works in conjunction with federal rental assistance to open and maintain more housing opportunities, especially for permanent supportive housing (PSH) participants who use federal tenant-based vouchers. PSH participants experience significant challenges in finding housing in the current rental market, and the ‘backstop’ provides developers with the long-term investment certainty they need to build and maintain economically viable PSH projects.

This program will borrow its structure from a tenant-based voucher backstop program at LA County which is administered by Brilliant Corners in collaboration with the County Department of Health Services. The program began in 2018 and supports seven permanent supportive housing projects. The ULA program should be structured in a basically similar manner, covering costs when a vacancy lasts more than 60 days. Under the LA County model, the Department of Health Services refers tenant-based voucher holders to any units that become

vacant. The City of Los Angeles would have to develop a similar system, or subcontract with a party to administer it, to ensure the long-term viability of the Backstop.

Section E. Operating Assistance Funding Apportionment

The apportionment of the operating assistance funding between conventional rental subsidy and the Backstop approach will depend on ULA revenues for a given year. At least annually, the Los Angeles Housing Department will be required to confer with the Citizens Oversight Committee on the status of ULA's Operating Assistance funding and make fiscally sound adjustments to the programs accordingly.

The allocation of funds to the conventional rental subsidy program should directly correlate with how many units ULA revenues produce under the Alternative Models and Acquisition and Rehabilitation Programs. Similarly, the Backstop will have to be informed by production rates and continually expand as it supports more units to ensure that it remains solvent and a viable financing option to attract private investment into the affordable housing projects it supports. The Backstop's funds must remain dedicated to and reserved for this use, and cannot be repurposed, or it will disrupt legal contracts between developers and investors.

Appendix E

Short Term Emergency Assistance Full Program Guidelines

Short Term Emergency Assistance Description

In January/February 2023, the United to House LA coalition will be submitting proposed Program Guidelines for each of the 10 program areas. The short-term emergency assistance would provide about \$40 million annually in funding. Below is a definition from the Measure ULA initiative that defines short-term emergency assistance:

“Short-Term Emergency Assistance. Five percent of the House LA Fund-Programs shall be annually allocated to provide short-term emergency funding to tenant households at risk of becoming homeless. Funds will stabilize low-income tenants at risk of losing their housing due to one-time economic shocks, and may cover the entirety of rent payments for a short-term period of up to 6 months. Priority eligibility shall be established for lower income households.”

Current LA City Rental Assistance Program Tenant Eligibility

HRC currently administers both the City of LA and LA County Eviction Defense Rental Assistance Programs (RAPs) through the StayhousedLA. Both RAPs are focused on using rental assistance funds to prevent evictions and disruptive displacements, and/or to stabilize tenants in current or new housing and prevent homelessness.

LA City RAP the follows the following contract language as a guideline and general mission for providing rental assistance:

“To prevent evictions and disruptive displacements, and/or to stabilize tenants in new housing, the Contractor shall provide emergency rental assistance on behalf of a tenant if such assistance is reasonably likely to result in preventing displacement or homelessness. Any debt or cost incurred by a tenant related to rental housing or relocating to new rental housing due to a dispute with the landlord and/or a pending unlawful detainer case is eligible to be paid by emergency rental assistance, including but not limited to rent, utility payments, security deposits, and/or reasonable moving costs.”

Tenant Eligibility Guidelines and Rules

A. The following are current LA City RAP guidelines for eligible tenants to apply for rental assistance:

1. Must be a retained tenant through LA City EDP (referred from stayhousedla.org)
1. Household income must be below 80% AMI²⁹
2. Renter of residential rental property living within Los Angeles city limits
3. Tenant needs to be COVID impacted
4. Employees of HRC and LAFLA and direct family members are ineligible for rental assistance.

²⁹ Receipt of any needs-based public benefits automatically qualifies a tenant to services.

B. The following are proposed LA City Short Term Emergency Assistance Program guidelines for eligible tenants to apply for rental assistance:

1. Renter of residential rental property living within Los Angeles city limits
2. Household income must be below 80% AMI³⁰
3. Description of one-time economic hardship
4. Employees of agency providers and their direct family members are ineligible for rental assistance.

C. In addition to the initial tenant eligibility criteria, LA City RAP requires the following:

1. Signed W-9 form by the participating landlord that will receive the rental assistance payment.
2. Only provide rental assistance once a year, if the rental assistance request provided the total maximum amount allowed per term.

D. In addition to the initial tenant eligibility criteria, the following would be proposed for the Short-Term Emergency Assistance Program:

1. Signed W-9 form by the participating landlord that will receive the rental assistance payment. However, if the landlord is not participating allow tenants to receive rental assistance under limited circumstances and only for rental arrears owed at time of application. No further follow-up by administrative agencies will be performed upon providing rental assistance to tenants.³¹
2. Only provide rental assistance once a year, if the rental assistance request provided the total maximum amount allowed per term.

E. Additional proposed guidelines for Short-Term Emergency Assistance Program:

1. Total of six (6) months of emergency rental assistance which can be applied to either rental arrears or prospective rent.
2. Set a maximum monetary cap amount for total rental assistance that can be provided, whichever is greater.
3. Administering agency will make decisions on case-by-case situation including the totality of circumstances and shall prioritize cases that include but are not limited to: (1) tenant households considered lower income households at 30% AMI; (2) tenants that live in long-term rent stabilized units; (3) units that are affordable based on the tenant's income; (3) tenant households with minor children; and (4) households that are at high risk of becoming homeless.
4. Administering agency in its discretion, shall provide rental assistance to tenants where rental assistance is reasonably likely to maintain tenant's housing or obtain and sustain new housing, as documented through the case record.

³⁰ Receipt of any needs-based public benefits automatically qualifies a tenant to services.

³¹ Possible disruption of recipients' government monthly benefits and medical coverage can be implicated through direct payments. Tax implications for tenants would need to be researched.

5. Rental assistance shall include any debt or cost incurred by a tenant related to rental housing or relocating to new rental housing due to a dispute with the landlord and/or a pending UD case. These costs can include but not limited to rent, utility payments, security deposits, costs associated with complying with orders or agreements, and/or reasonable moving costs.

Current Process to Submit Rental Assistance Requests

Participating agency or referring agency, will email or call the Rental Assistance Administrator (RAA) first, before submitting the entire application, to inquire if the tenant's situation would be initially be eligible for rental assistance.

After the initial inquiry and basic eligibility are met and approved by the RAA, the participating or referring agency staffer will gather all the required forms and documents and prepare these documents for submission to the RAA.

Participating or referring agency will submit all required documents and forms by email to the RAA determination on whether to approve or deny the submitted application. Submission will not be considered approved until all documents or issues are resolved and can be denied if the application is incomplete and participating or referring agency will not provide further documentation.

After approval of application, the application along with the required documents are emailed to the Accounting Dept for processing the payment. Payment will be processed no later than 10 business days and will be only be delivered to Payee through FedEx overnight or personal pick-up, if requested by the Payee.

Required Documents and Forms for Requests

The following forms and documents listed below are required for rental assistance requests through the LA City RAP. We propose that similar required documents and forms be used for the proposed Short-Term Emergency Assistance Program.

Rental Assistance Application

An application will need to be submitted by the participating agency on behalf of the tenant applicant. Administrative agency processing the rental assistance applicants will develop and create the application.

Proof of Ownership and Signed W-9 Form

1. Property Profile
2. Grant Deed
3. If a management company is Plaintiff, an Agent Authorization Agreement
4. Court Order
5. Trustor/Trustee documents

W-9 Form:

Landlord must fill-out and sign this form to be eligible for rental assistance. If a property management company fills out the form or is the Plaintiff in a UD case, they need to provide an Agent Authorization Form or an authorization letter demonstrating the landlord provide authority to a third party. Otherwise, can pay the landlord directly.

Tenant Photo Identification

Government identification is preferred but not required. However, we will need some type of photo identification to verify the tenant applicant. Here are some examples that we have used:

1. Consulate Card
2. Native Country's ID
3. Passport
4. School Identification Card

Settlement Agreement / Invoice Payment / Notice

Eviction cases usually have an stipulated agreement or applicant is applying prior to an eviction case (pre-court filing), we require the landlord to enter into an agreement to end the rent dispute. For any requests that are in the pre-eviction stage, we require a notice or rent ledger to verify the rent owed. If the assistance is for non-rent, we require an invoice to verify debt and payment for services provided.

Proof of Landlord / Tenant Relationship

The following are documents we will use to verify and collaborate a landlord-tenant relationship exist. Only one of these is required:

1. Copy of an executed rental agreement
2. A promissory note or payment plan
3. Cancelled checks
4. Rental receipts
5. 3-Day Notice to Pay Rent or Quit or Unlawful Detainer
6. Signed self-certification form (last resort and only for pre-eviction cases)

Proof of Income or Self Certification of Income Form

The following are different forms of income verifications used:

1. Pay stubs
2. Paycheck statements
3. Canceled checks
4. Govt. benefits statement
5. Third party verification form of employment
6. Self-Certification Form

Collection of Documents & Reporting

After payment has been processed and delivered, RAA will prepare a complete copy of all the required documents and forms for approved applications. This approved application packet will be scanned and saved as a final submission application packet and will be included in every City monthly invoice. We will maintain and store an electronic file for each submission.

Administrative agency will maintain these submissions and records for at least five years following the expiration of the rental assistance services provided. In addition, the administrative agency will provide the City with such records when requested. Administrative agency shall provide the City with access to any such records during regular business hours (Monday-Friday, 8:00 a.m. to 5:00 p.m.) upon receipt of a written request by the City to review or duplicate them.

Appendix F

Income Support for Rent-Burdened Seniors & Persons with Disabilities

Full Program Guidelines

Purpose

One of the primary goals of Measure ULA's House LA Fund is to *"increase access to permanently affordable housing for vulnerable populations including but not limited to seniors in Low Income Households, formerly homeless, and persons with disabilities."* In fact, 30% of the House LA Fund shall be used for a Homeless Prevention Program, of which 10% of the House LA Fund shall be used specifically *"to provide income assistance designed to assist households in avoiding displacement from their homes to rent-burdened, Acutely Low Income, Extremely Low Income, and Very Low Income Households including seniors (aged 65 years and above) and/or persons with disabilities at-risk of becoming homeless."*³² According to projections, the House LA Fund could generate \$875M per year, which would yield roughly \$80M annually for Senior and Disabled Income Assistance.

Program Goals

The City of Los Angeles (City) should leverage this ULA funding to create a Senior/Disabled Housing Stability & Income Assistance program that strikes a balanced approach - responding to the immediate crisis facing current seniors already experiencing homelessness while also serving a large number of severely rent burdened senior and/or disabled households in the City. More specifically, the goals that should guide the development of this program include:

1. Immediately end homelessness for the ~2,600 seniors already surviving on the streets or in shelters in the City, and prepare to quickly resolve an annual influx of seniors experiencing homelessness through 2030;
2. Help an expertly targeted subset of ~150k to ~180k very low-income, extremely low-income, and acutely low-income senior and disabled renters to meet their basic income needs, avoid residential displacement and achieve housing stability as they age in place;
3. Design the program in a manner that creates an ongoing opportunity for the City to partner with LAHSA and LA County, and continuously evaluate the effectiveness of the program as a homeless resolution, prevention, and housing stabilization strategy and model; and, based on insights from ongoing evaluations,
4. Identify key challenges and opportunities to improve the effectiveness of the program on an annual basis.

³² Suzuki, T., Hernandez, N.D., Lipmen, E., Sanchez, A., Diaz, S. (2022) [United to House LA Ballot Measure](#)

Program Design, Principles & Assumptions

The long-term primary goal for this ULA-funded program should be to prevent seniors and people with disabilities from experiencing homelessness; however, the city must also respond to the urgent and life-shortening homeless crisis facing ~2,600 seniors right now. Therefore, until 2030, this program should include two components: one for resolving senior homelessness, and the other for preventing it among seniors and people with disabilities. The recommended allocation of funding with the program is as follows:

- Up to 40% for Component One: Homeless Resolution Program for Seniors
- At least 50% for Component Two: Targeted Cash Assistance Based on Need
- Up to 10% for Program Administration

Component One: Homeless Resolution Program for Seniors

On any given night in the City, there are ~2,600 seniors experiencing homelessness³³. These seniors have already exceeded their average life expectancy of 51 years and resolving homelessness for this population is extremely time-sensitive. In addition to age vulnerability, these seniors are disproportionately Black and living with disabilities compared to younger unhoused populations. Therefore, the first component of ULA's Senior/Disabled Housing Stability & Income Assistance program must be a Homeless Resolution Program for LA City Seniors, and should receive up to 40% of the program's initial funding allocation.

Key Design Principles

The key design principles of this homeless resolution program must be:

- **First-In, First-Out:** The City need not establish itself as a new long-term funding source for housing subsidies because ongoing federal, state, and County dollars are the most appropriate source of housing subsidy funding, given their ability to withstand market fluctuations. However, the City should position its funding as an immediately available and flexible resource to bring seniors safely inside (first-in) while a longer-term solution is identified. The moment a more appropriate and longer-term housing solution is identified, the City should exit the client (or switch the funding source) and reuse the remaining ULA funding for the next homeless senior (first-out).
- **Screen In, Not Out:** While diversion to safe housing with family and friends is always the first goal, it may not always be possible. When diversion is not an option, quick entry into this homeless resolution program is critical to ensuring the safety of these seniors. Because the City will be taking a First-In, First-Out approach, the goal of this homeless resolution program for seniors is to resolve the immediate lack of safe housing so experts can work with each senior on a longer-term stability plan. The goal is not to provide a comprehensive level of care for each individual. Therefore, the City need not screen out individuals based on level of need. Instead, the resident's age, homeless status, and inability to be immediately diverted to family and friends should be the primary considerations for program entry. Entry should not exclude people based on the nature of their disabilities, their ability to perform Activities of Daily Living, their immigration status, or their criminal background. Those issues and challenges are all best addressed once the senior is safely housed.
- **Achieving Throughput/Turnover:** A key premise of the City's ability to take a first-in, first-out approach and resolve homelessness for its ~2,600 seniors is the assumption that this senior population will

³³ Los Angeles Homeless Services Authority 2022 Greater Homeless Count - City of Los Angeles. (2022) [City of LA HC22 Data Summary](#)

experience significant natural and designed turnover. First, 100% of the target population will have already exceeded the average life-expectancy for unhoused residents in the City (51 years of age), so a higher-than-average mortality rate is expected. Second, it is presumed that a significant portion of participants will be eligible for PSH, Enriched Residential, or higher levels of care based on a combination of their age, disability status, and history of chronic homelessness. A high proportion of them will be able to exit using alternative funding streams, freeing up ULA funding to serve the next unhoused senior. How can throughput and turnover be maximized?

- **Connection to Mainstream Supports:** The City's foray into homeless resolution for seniors will require deep partnership with LAHSA and County partners to ensure participants have access to mainstream resources funded by the federal, state, and County governments. Those resources include access to benefits, health and behavioral health care, prevention and problem-solving resources, time-limited subsidies, Permanent Supportive Housing, and Enriched Residential Care.
- **Bridge to City-Funded Housing Programs:** The City already has almost 4,500 HHH-funded units expected to open in 2023 and 2024, and the City will be leveraging ULA funds to expand affordable housing options for seniors and people with disabilities. Therefore, the City should ensure this homeless resolution program is pipelining tenants to the affordable and supportive housing options it is bringing online, as well as turnover units in its existing portfolio.
- **Referrals to Cash Assistance program (Component Two):** If the previously unhoused senior can live independently or in shared housing with a modicum of financial support (e.g., by supplementing their SSI/SSP income with a housing allowance or shallow subsidy), then the City should quickly transition participants to the cash assistance program funded in Component Two as a viable exit strategy from the Component One program.

To implement this Homeless Resolution Program for Seniors, the City of LA has multiple viable options it could pursue.

Option #1: Time-Limited Subsidies

Another option the City can pursue to quickly resolve homelessness for its seniors is to invest ULA resources into a Time-Limited Subsidy (TLS) program. TLS programs provide support to households experiencing homelessness by assisting them in accessing permanent housing quickly and for a limited amount of time. The amount of time varies by the specific program, and the most common form of TLS programs is typically called Rapid Re-Housing, where tenants are supported for up to one, two, or three years while they grow and stabilize their income and benefits. However, seniors are usually on a fixed income, so the City's TLS program for low-income unhoused seniors should not set an arbitrary two-year time-limit on the rental subsidy and services. Instead, the City's senior/disabled TLS program should model itself more on HUD's Section 202 vouchers, where individuals aged 62 and older can access the voucher until the individual no longer needs the voucher or the individual expires - at which point the City can either reuse the subsidy on another senior or reinvest the funding into Component Two.

Even a time-limited rental subsidy for the senior and disabled population will need to be paired with supportive services - like housing navigation, case management, and tenancy supports - during participation in the TLS program. Such services can help clients identify units, transition from the streets or shelters into housing, connect to mainstream supports and benefits, and identify the most appropriate longer-term level of support and assistance needed to age in place.

Option #2: Flexible Funds

The final option the City could pursue to resolve senior homelessness is to establish a flexible pool of resources providers can use to finance the unmet services and support needs of unhoused seniors with disabilities. Flex funds can be used to make accessibility modifications, overcome barriers like hefty deposits or move-in assistance, or close other gaps in an individual's housing stabilization plan. Flex funds can also be used to help unhoused seniors who are categorically excluded from other publicly-funded assistance programs (e.g., sex offenders). Paired with mainstream rental subsidies and benefits, flex funds can often be the final missing ingredient to get people into safe and stable housing while minimizing the city's long-term financial obligations. If designed and executed well, flex funds are a complement to mainstream programs like rental subsidies and case management; not a supplement or replacement for those vital publicly-funded programs.

Component Two: Targeted Cash Assistance Based on Need

On any given day in the City, there are ~100k senior renters who are severely rent burdened (paying 50% or more of their income toward rent). Almost 1,000 City seniors are on General Relief, 64,000 are receiving In-Home Supportive Services (IHSS), and 35k are on SSI with an average monthly payment of \$837 and a median rent of \$1,703. Overlapping with these low-income seniors is a population of low-income City residents living with disabilities. In fact, there are roughly 182k seniors with disabilities renting in the City of LA. Because the combination of old age, disability, low/fixed incomes, and rising housing costs are all heavily correlated with housing instability, the second component of ULA's Senior/Disabled Housing Stability & Income Assistance program must be Targeted Cash Assistance Based on Need, and should receive at least 50% of the program's initial funding allocation.

Key Design Principles

The key design principles of this targeted cash assistance program must be:

- **Leverage Existing Infrastructure:** Fortunately, LA is already home to several programs, hotlines, and websites that attempt to provide similar support to at-risk households. Therefore, the City must prioritize synergy, collaboration, and consolidation with other prevention and problem-solving programs at LAHSA, the City, and the County levels. There is no need to reinvent the wheel or start from scratch. By leveraging existing infrastructures - like eviction defense, emergency rental assistance, and tenant outreach/education - the City can expedite its impact on at-risk senior and disabled residents.
- **Low Administrative Burden:** It is surprisingly hard to provide cash assistance and the evidence shows that every added step in a process reduces the likelihood of completion. Complex application processes, multiple forms, frequent recertification processes, and lengthy questionnaires should all be minimized and streamlined. We should ask only what we need to know to execute the program and nothing more.
- **Minimize Negative Impact on Benefits:** This program targets some of the most impoverished residents of the City, who are likely already on publicly funded benefits like Medi-Cal, Medicare, CalFresh, General Relief, and/or SSI. Therefore, great care must be taken to protect those benefits and ensure cash assistance does not make the individual worse off. It is unlikely that there will be zero impact on their benefits, but the goal of this program should be to minimize any negative impacts wherever possible.
- **Connection to Mainstream Supports:** The City's creation of a cash-assistance program for seniors and people with disabilities will require deep partnership with LAHSA and County partners to ensure participant access to mainstream resources funded by the federal, state, and County governments. Those resources include access to benefits, health and behavioral health care, prevention and problem-solving resources, time-limited subsidies, Permanent Supportive Housing, and Enriched Residential Care. So, regardless of whether the client receives cash assistance, they should all benefit from mainstream government supports for which they are eligible.
- **Culturally Competent Marketing & Targeting:** Senior and disabled residents of LA City are not monolithic. They have varying household configurations, speak a range of languages, live with a wide variety of access and functional needs, have non-uniform relationships to anchor institutions and provider partners, and receive information through various channels that might not align with other sub-populations. All communications to target populations about this cash assistance program should be culturally competent, age-appropriate, and accessible to the target population and their trusted partners.

Design Elements

Since the demand for help is still greater than the supply of resources, there are two key questions the City must confront when designing a homeless prevention program:

1. **Intervention Structure:** How should the City structure the intervention to most effectively prevent homelessness among seniors and people with disabilities?
2. **Prevention Targeting:** How can the City most accurately identify those seniors and people with disabilities who are likely to experience homelessness without the intervention?

Structuring the Intervention

Direct Cash Assistance

According to the California Policy Lab at UCLA, the region’s leading expert on homeless prevention and predictive modeling, the most effective prevention strategies are typically designed to quickly increase income and resolve urgent financial crises. Homeless return rates are significantly lower for households who receive financial/cash assistance compared to those who do not. [According to a 2021 report from the Homeless Policy Research Institute \(HPRI\)](#), most government and non-profit efforts to prevent homelessness have historically offered only goods and services like food, healthcare, or legal assistance³⁴. While these approaches can be very impactful, they have large administrative burdens and carry the assumption that people in poverty do not know what they need to survive or cannot be trusted to make decisions to help themselves. Recent evidence is increasingly showing that direct cash transfers to landlords (for arrears) or directly to tenants in poverty are more efficient at reducing administrative burdens, and they give recipients freedom of self-determination. Emerging evidence is also showing that direct cash assistance is a more cost effective intervention. Therefore, we recommend the City structure Component Two as a direct-to-tenant cash “assistance based on need” and pair that cash assistance with other ULA-funded supports like Right to Counsel and/or Tenant Outreach/Education.

Intervention Amount (\$500-\$800 per month)

As of January 2023, Acutely Low Income (ALI) Seniors in LA are currently earning just over \$1,100 per month, which is also the expected combined [Supplemental Security Income \(SSI\)/State Supplemental Payment \(SSP\) for seniors and people with disabilities who have no assets and cannot work](#)³⁵. According to the [2022 LA County Affordable Housing Needs Report](#)³⁶, there is an Average Asking Rent of \$2,349 and [Fair Market Rent for an efficiency in LA priced at \\$1,840](#)³⁷. At these prices, our poorest seniors and disabled residents simply do not have enough income to stay independently housed. Therefore, a modest \$500 to \$800 per month would keep severely rent burdened seniors in their existing units or give them the flexibility of affording a room of their own in a multi-bedroom unit.

Providing \$500 to \$800 a month in cash assistance based on need is aligned with several initiatives worth noting. First, it matches the typical payouts for LA County’s Homeless Prevention Program, which LA City should align and collaborate with for this program. Second, it aligns with the proposed [2020 LA County Older Adult Pilot](#)

³⁴ Homeless Policy Research Institute. (2021) “Cash Payments to People Experiencing Homelessness.” https://socialinnovation.usc.edu/wp-content/uploads/2021/05/Cash-Payments-Lit-Review_final.pdf

³⁵ Social Security Administration. (2023) “SSI in California.” <https://www.ssa.gov/pubs/EN-05-11125.pdf>

³⁶ California Housing Partnership. (2022) “LA County 2022 Affordable Housing Needs Report.” https://chpc.wpenginepowered.com/wp-content/uploads/2022/05/Los-Angeles_Housing_Report_2022-AHNR-rev1.pdf

³⁷ Housing Authority of the City of Los Angeles. (2022) “Voucher Payment Standards.” <https://www.hacla.org/en/about-section-8/payment-standards>

[program](#) proposed by Dr. Dennis Culhane, Andy Perry, Max Stevens, Dan Treglia, and Randall Kuhn, which suggested \$600 per month for people in shared living arrangements and \$750 per month for people living alone³⁸. Finally, it aligns with a comparable program, called [Preserving Our Diversity](#), in the City of Santa Monica, which provides up to \$700 a month for people living alone³⁹.

Method of Payment

In order to minimize impact on a participant's federal, state, or local benefits, the City should consider modeling its method of payment after the [California Middle Class Tax Refund \(MCTR\) Program](#)⁴⁰ authorized by the Better for Families Act, and the City of Santa Monica's Preserving Our Diversity (POD) program - both of which use a debit card system to transfer the assistance based on need to a separate account for each eligible participant. Under the POD program, the cash assistance is deposited each month onto a debit card that is issued to selected applicants. The cards are mailed to the program participants after enrollment and is managed by a company called Money Network. Participants can use the card anywhere debit cards are accepted: in-store, online or by phone. They can also get cash using ATMs or get cash back at the register with PIN debit purchases at participating merchants.

Impact on SSI/SSP

Under federal law, assistance received under this program is determined in part by the applicant's income and should be considered by the Social Security Administration to be "assistance based on need" paid by the political subdivision of a state, which means it is excluded from their countable income and assets. The countable resource limit for SSI is no more than \$2,000 for an individual or \$3,000 for a couple, so applicants must use all of the cash assistance to pay for basic housing needs and not accumulate the funds in a bank account or else they might exceed the resource limit. However, it may be beneficial for the City to request an explicit waiver from the state to exclude ULA-funded cash assistance from the countable resource limits and to ensure it is not counted as in-kind support and maintenance.

In addition, the configuration of housing is also relevant to the total amount of SSI/SSP support because federal law reduces SSI payment if the individual lives in "another person's house, apartment, or mobile home." In some cases, SSI/SSP benefits can be reduced from \$1,133 to \$833 per month, a \$300 reduction. Therefore, the program must communicate clearly with SSI/SSP recipients about the impact of proposed shared living arrangements on their potential income.

Targeting the Intervention

According to experts at the California Policy Lab, the identification of at-risk seniors and people with disabilities must occur in two ways: responsive and predictive targeting, described in further detail below. The reason for two targeting pathways is based on evidence that shows there is little overlap between groups that self-identify as being high risk, and those that do not self-identify but are indeed high risk based on their heavy use of public health care and other social safety net services. Unfortunately, many at-risk seniors and people with disabilities will not self-identify as being at risk of homelessness because of negatively perceived stigmas. Both groups

³⁸ Culhane, D., Perry, A., Stevens, M, Treglia, D. et al. (2020) "A Roadmap for Phased Implementation of an Older Adult Housing Pilot in Los Angeles County." http://works.bepress.com/dennis_culhane/242/

³⁹ City of Santa Monica. (2019) "Preserving Our Diversity Program (POD) Pilot 2 Policies and Procedures." https://www.smgov.net/uploadedFiles/Departments/HED/Housing_and_Redevelopment/Housing/Information_and_Refere_nce/POD%20Pilot%20%20Policies%20and%20Procedures%20Manual%202019.10.03.pdf

⁴⁰ State of California Franchise Tax Board. (2022). Middle Class Tax Refund. <https://www.ftb.ca.gov/about-ftb/newsroom/middle-class-tax-refund/index.html>

include people who are likely to experience homelessness and therefore must be accounted for in prevention targeting strategies.

Responsive Targeting

Single Point of Entry

The City must create a pathway for seniors and people with disabilities to self-identify as being at risk of homelessness, and that pathway should have a single, easy-to-access point of entry - ideally tied to 211 or another commonly known phone number, app, or website. Current LAHSA-funded prevention programs require clients to access programs through local providers, which perpetuates confusion and inconsistencies. Learning lessons from that fragmentation, the City should ensure the front-door of self-identification is clear and accessible to the aging and disability communities and the multiple systems that serve them (e.g., Homeless Outreach Teams, Access and Engagement Centers, Senior Centers, Area Agencies on Aging, Disability Resource Centers).

Centralized Intake and Eligibility Screening with other Partners

Because individuals and families who seek homeless prevention services often face time-sensitive financial and legal issues, they need to be screened and provided with legal referrals, rental assistance, and other critical support within a very short time frame. Therefore, a core team at the City, County, and/or LAHSA should be trained in screening, eligibility, case coordination, and program components. The goal should be to avoid competing or duplicative prevention intake processes within the Continuum of Care so all participants, including providers, have clear direction. This responsive targeting of cash assistance must be integrated with other elements of ULA-funded programming like Eviction Defense, Emergency Rental Assistance, and Tenant Outreach and Education, so that people who need both emergency and ongoing help with housing stability are set up for success.

Prevention Targeting Tool (PTT)

For eligibility screening, the City should use the existing [Prevention Targeted Tool \(PTT\)](#), which is an 18-question assessment, developed by the California Policy Lab, that assigns point values based on responses to determine the individuals at highest risk of experiencing homelessness⁴¹. Within the City, the Community Investment and Families Department utilized this tool to determine eligible participants for the Solid Ground Homelessness Prevention Program. Those who score 16 points or more are recommended for prevention intervention. The PTT automatically assigns 3 points to individuals age 55 and older, 1 point if income is less than or equal to 30% AMI, and 3 points if you have any sort of physical or mental disabilities. That's a baseline of 7 points for our target population, which can quickly get to 16 points or higher if any of the following are also true:

- 5 points for prior history of homelessness
- Up to 5 points if their housing status is in immediate jeopardy
- Up to 5 points if they are currently in Permanent Supportive Housing or on a Voucher
- 4 points if they have any foster care or criminal justice involvement
- 3 points if they were recently discharged from any institutions (including hospitals)
- 3 points if they have recently lost a family member, or been separated/divorced
- 2 points if they have an open case with Adult Protective Services

Marketing the Program

The marketing for the Targeted Cash Assistance Based on Need program should be proactive and accessible to a diverse population of low-income, renting seniors and people with disabilities. This means information about the program should be available in all languages commonly spoken in the City of Los Angeles, using culturally competent language and trusted messengers. Communications about the program should include in-person outreach at sites frequented by low-income seniors and people with disabilities (e.g., public libraries, senior centers, family source centers, churches, community resource centers), as well as electronic and direct mail outreach. The City of Santa Monica specifically targets seniors in rent-controlled units, which is something the City should also consider when determining targeted marketing techniques. The City should also work with the County and LAHSA to ensure information about this program is available to all existing and relevant touch points within the target population.

Predictive Targeting

Because it is incredibly difficult to predict who will become homeless among the tens of thousands of extremely poor, elderly and disabled households, we do not recommend the City try to predict that outcome on its own. Instead, we recommend the City partner with the most credible homeless prevention effort in LA County and help them expand their focus to seniors and people with disabilities who reside in the City of LA.

A Partnership with the LA County Homeless Prevention Unit (HPU)

The LA County Department of Health Services is home to an innovative Homeless Prevention Unit (HPU), which the City should partner with to expand and target seniors and people with disabilities who do not self-identify but are at high risk of experiencing homelessness based on administrative data. The HPU began in July 2021 and uses linked, de-identified data on individuals accessing LA County services. A team of CPL data scientists generates lists of clients predicted to be at very high risk of experiencing homelessness and provides the list to

⁴¹ California Policy Lab. (2021) "Single Adult Homelessness Prevention Targeting Tool Draft." <https://www.capolicylab.org/wp-content/uploads/2021/07/Appendix-B2-Single-Adult-Homelessness-Prevention-Targeting-Tool-Draft.pdf>

LA County departments to re-identify the clients and conduct outreach. Participation is completely voluntary and adult participants are provided flexible cash assistance, connection to health care, mental health care, legal services, and other supportive services.

The anonymized data used in these predictive models comes from eight LA County agencies and includes thousands of different variables - everything from enrollment in benefits programs to mental health diagnoses, emergency room visits, and criminal justice contacts. Using this historic data, the predictive models then identify which variables or combinations of variables are most closely associated with new episodes of homelessness. Once the important variables are selected, the models predict the people most likely to experience that outcome and CPL generates an anonymized, rank-ordered list of people for the County. To date, the HPU has proven that 30% of its high-risk list will become homeless, and 90% of their participants have maintained housing stability to date. To put those numbers in perspective, if ULA spent \$700 a month helping 3,000 high risk seniors and people with disabilities, then it would effectively prevent almost 1,000 people from becoming homeless in a given year in the City.

Program Administration

No more than 10% of the ULA funding allocated for this Senior/Disabled Housing Stability and Income Assistance should be available for direct, sub-contracted, or partner providers or staff for the administration and execution of the program. Program Administration may include, but might not be limited to:

- Contracting and Procurement
- Budgeting and Financial Management
- Equipment, Supplies, and Materials
- Travel and Training
- Program Analysis and Reporting
- Facilities (e.g., rent, maintenance, etc.)
- Consulting and Technical Assistance

Shared Fact Base

Facts about the Older and/or Disabled Renter Population in the City of LA

According to the most recent U.S. Census data, the City of Los Angeles is home to almost 4M residents.⁴² Roughly 500k or 12% of LA City residents are age 65 and older, and 11% are living with a disability which increases to 35% among the SCAG Pre-Certified Local Housing Data for the City of Los Angeles (updated April 2021). Seniors more commonly live with hearing, ambulation, self-care, and independent living challenges. There are ~100k senior renters who are severely rent burdened (paying 50% or more of their income toward rent).⁴³ As of November 2022, there are almost 1,000 City seniors on General Relief, 64k are receiving In-Home Supportive Services (IHSS), and 35k are on SSI with an average monthly payment of \$837 and a median rent of \$1,703.

⁴² United States Census Bureau (2021) "American Community Survey Demographic Estimates."

<https://data.census.gov/table?g=1600000US0644000&tid=ACSDP1Y2021.DP05>

⁴³ Southern California Association of Governments (2021) "Pre-Certified Local Housing Data for the City."

<https://scag.ca.gov/sites/main/files/file-attachments/los-angeles-he-0421.pdf?1620776467>

Area Median Family Income for Los Angeles is determined annually by the U.S. Department of Housing and Urban Development (HUD) and the most recent income limits are [available here](#)⁴⁴, and the table below estimates the portion of LA's senior population of renters that fall into each income category:

Area Median Family Income (AMFI) for FY 2022 (HUD)		\$91,100
Proportion of LA City Senior Population who are Renters	63%	312,069
Moderate Income or Higher (\geq 120% of AMFI)	37%	115,582
Low Income (160% of VLI)	16%	49,830
Very Low Income (VLI) (50% of AMFI)	11%	35,867
Extremely Low Income (60% of VLI)	17%	53,354
Acutely Low Income (15% of AMFI)	18%	57,436

With respect to residents living with disabilities, the City of Los Angeles has an estimated 424k individuals who identify as living with a disability, which is 11% of the City's population. The table below breaks down those disabilities by type and age to better show the prevalence of disabilities among seniors compared to those within the younger populations:

Disability Category	Age 0-64	Age 65+	Overall
Hearing	1% or 36,898	11% or 57,306	2% or 92,204
Vision	2% or 73,302	7% or 35,157	3% or 108,459
Cognitive	3% or 97,728	10% or 51,808	4% or 149,536
Ambulatory	3% or 91,951	24% or 121,841	6% or 213,792
Self-Care	1% or 43,088	12% or 59,721	3% or 102,809
Independent Living	2% or 77,217	19% or 100,360	5% or 177,577
Total	7% or 241,087	35% or 182,542	11% or 423,629

⁴⁴ U.S. Department of Housing and Urban Development. (2023) Income Limits Documentation System. <https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn>

Facts about Older and Disabled People Experiencing Homelessness in the City of LA

On any given night in the City of Los Angeles, there are almost 42,000 people experiencing homelessness, and 83% or ~35k are experiencing it as individuals not in family units. Of that subset, ~11.5k or 27% are older adults and ~2,600 or 6% are seniors experiencing homelessness⁴⁵ as shown in the table below. The majority of these individuals are experiencing “chronic homelessness” and the older adult category is projected to be the fastest growing age demographic of PEH through 2030, and the latest research in California shows a large portion of older adults experiencing homelessness are experiencing it for the first time after age 50, and many are related to post-incarceration housing instability. Black and African American people are more over-represented among older adults experiencing homelessness (39%) than they are in the general homeless population (33%) despite accounting for only 8% of the total population in L.A. County.

Age Category	Age	Sheltered	Unsheltered	Total	Prevalence in Homeless Population	% Change from Prior Year
Older Adults	50-54	888	3,475	4,363	10%	0%
	55-59	843	2,926	3,769	9%	-17%
	60-61	361	1,206	1,567	4%	17%
	62-64	413	1,315	1,728	4%	-6%
<i>OA Subtotal</i>	<i>50-64</i>	<i>2,505</i>	<i>8,922</i>	<i>11,427</i>	<i>27%</i>	
Seniors	65-69	485	1,117	1,602	4%	21%
	70-79	286	570	856	2%	17%
	80+	29	29	137	0%	-30%
<i>Seniors Subtotal</i>	<i>65+</i>	<i>800</i>	<i>1,716</i>	<i>2,595</i>	<i>6%</i>	
TOTAL	50+	3,305	10,638	14,022	33%	

⁴⁵ Los Angeles Homeless Services Authority 2022 Greater Homeless Count - City of Los Angeles. (2022) “City of LA Data Summary.” <https://www.lahsa.org/documents?id=6516-city-of-la-hc22-data-summary>

The life expectancy of this unhoused group is well-documented to be significantly shorter than the general population. In fact, the average age at death among PEH is 51 compared to 73 in the general population. This is, in part, due to the undertreated underlying medical conditions and disabilities that are exacerbated by surviving on the streets and in emergency shelters. Based on self-reported data from the most recent PIT count, older adults report the following health and disability challenges:

- 36% report having a Physical Disability
- 25% report living with a Serious Mental Illness
- 23% report managing a Substance Use Disorder
- 9% report having a Developmental Disability
- 1% report living with HIV/AIDS

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Appendix G

Eviction Defense & Prevention Full Program Guidelines

The purpose of these Program Guidelines is to implement the Eviction Defense/Prevention right to counsel program via Stay Housed LA, and any other legal service provider as determined by the Citizens Oversight Commission or LAHD.

I. Implementation:

- A. LAHD or its designee shall implement and oversee the provision of eviction defense and prevention legal services.
- B. Full Scope Legal Representation shall be phased in by zip codes during a period of time that is approximately 5 years, in a manner that LAHD determines appropriate, based on all relevant factors including:
 - 1. the prioritization of certain groups of vulnerable individuals in zip codes, or other additional criteria or metrics developed by LAHD in collaboration with legal service providers and community based organizations who provide eviction defense and prevention services.;
 - 2. the availability of funding from all sources;
 - 3. the availability of trained and qualified attorneys to provide legal representation;
 - 4. geographic considerations vis-a-vis shared zip codes with other jurisdictions;
 - 5. the scope of the need for legal representation; and
 - 6. any other appropriate logistical consideration.

II. Eviction Defense and Prevention Legal Services

A. Definitions.

1. **Covered Individual** includes any tenant:

- a. at 80 % of the Area Median Income or below; and
- b. who occupies a dwelling located within the City of Los Angeles under a claim of legal right, other than the owner of the dwelling, or a master tenant; and
- c. resides in a Covered Geographic Area.

2. **Covered Geographical Area** is a zip code area where funding has been made available for right to counsel.

3. **Covered Proceeding** includes:

- a. any judicial proceeding to terminate the tenancy of a covered individual;
- b. any proceeding deemed by a designated organization as the functional equivalent of a proceeding described in subparagraph (a); and
- c. any first appeal of such a proceeding where an LSP determines that there are good grounds for an appeal.

3. Designated Legal Services Organization (LSP) is:

- a. Any not-for-profit LSP that is designated by the Los Angeles Housing Department or;
- b. Where a not-for-profit LSP is unable to provide representation, an attorney who is not an employee of an LSP but who contracts with Los Angeles Housing Department or its designee to provide legal representation to covered individuals in covered proceedings; and is authorized to practice law in California. Said attorney must have the capacity to provide legal representation to covered individuals involved in a covered proceeding, and agree to adhere to the established standards of practice.
- c. The Los Angeles Housing Department will conduct an annual review of the LSP and may decline to renew the designation of any such organization.
- d. The City of Los Angeles shall require the Los Angeles Housing Department to create and maintain a list of LSPs and any other designated attorneys and make that list publicly available.

4. Full Scope Legal Representation is ongoing legal representation provided by an LSP to a Covered Individual in a Covered Geography for a Covered Proceeding , and all legal advice, advocacy, and assistance associated with that representation. “Full legal representation” shall be provided by a lawyer authorized to practice in the State of California.

5. Limited Legal Assistance includes, but is not limited to: legal consultation/advice, assistance with filing or completing forms in proper, and/or referrals. It does not include tenant education or Full Scope Legal Representation.

6. Non-Covered Individual includes any tenant:

- a. at 80 % of the Area Median Income or below; and
- b. who occupies a dwelling located within the City of Los Angeles under a claim of legal right, other than the owner of the dwelling, or a master tenant; and
- c. Lives outside a Covered Geographical Area.

B. SPECIFIC TASKS – LEGAL SERVICES

Individual tenants and tenant households shall have access to Legal Services through a variety of methods including the Stay Housed LA website and toll-free hotline, Community Based Organizations (CBO) workshops and clinics, other ULA programs, as well as individual Legal Service Provider’s own offices, hotlines and websites. Each tenant or tenant household requesting legal services must fill out an application to assess eligibility. Tenants will be referred to subcontracted legal service providers (LSPs) depending on their location (courthouse). All tenants, regardless of immigration status or language, shall be served by the program.

Covered Individuals receive first priority for Full Scope Legal Representation. Covered Individuals may receive Limited Scope Assistance for issues that are not Covered Proceedings, dependent on LSP

capacity. Non-Covered Individuals may receive Full Scope Representation or Limited Scope Assistance, dependent on LSP capacity.

1.1 FULL SCOPE LEGAL REPRESENTATION

- 1.1.1 Contractor shall provide Full Scope Legal Representation to Covered Individual who have had an unlawful detainer complaint filed against them.
- 1.1.2 Legal Services provided are subject to eligibility requirements for Covered Individual and availability of funding.
- 1.1.3 For the purposes of this section, Full Scope Legal Representation may include, but is not limited to:
 - 1.1.3.1 Preparing and submitting a formal response to a notice of termination of tenancy on behalf of a tenant.
 - 1.1.3.2 Representing a tenant in mediation, negotiation, or other dispute resolution between a tenant and a landlord.
 - 1.1.3.3 Legal research, investigation, and/or document review to prepare for trial.
 - 1.1.3.4 Representing tenants at an unlawful detainer trial or settlement negotiations.
 - 1.1.3.5 Representing tenants in administrative proceedings which may result in the termination of a tenancy or the loss of a federal, state, or local rent subsidy.
 - 1.1.3.6 Providing additional and/or ongoing services after the formal conclusion of an eviction proceeding or trial to stabilize a tenant's housing, including but not limited to sealing eviction records.
 - 1.1.3.7 Providing out-of-court assistance with mediation, negotiation, and/or other dispute resolution between a tenant and a landlord, including negotiating rental assistance.
 - 1.1.3.8 Any other service ordinarily provided by Contractor, or subcontracted legal service provider, reasonably related to preventing a tenant from eviction or disruptive displacement.
- 1.1.4 Contractor shall provide County with monthly updates on the progress of its Full Scope Legal Representation efforts including its ability and timeframe to reach target service levels as outlined in Attachment III (Target Service Levels) of this Statement of Work.

1.2 LIMITED SCOPE LEGAL ASSISTANCE

- 1.2.1 Contractor may provide Limited Scope Legal assistance to Non-Covered Individuals or Covered Individuals with any housing issue that may potentially lead to eviction or homelessness.
- 1.2.2 Legal Services provided are subject to eligibility requirements and availability of funding.
- 1.2.3 Contractor shall provide Limited Scope Legal assistance services within clinics, via organizational and program-specific hotlines, or by direct appointments or any other means.

- 1.2.4 For the purposes of this section, Limited Scope Legal assistance may include, but is not limited to:
 - 1.2.4.1 One-on-one consultations in-person, via phone or videoconference.
 - 1.2.4.2 Preparation of a formal response to a Notice to Terminate Tenancy on behalf of a tenant.
 - 1.2.4.3 Assistance with preparation of responsive eviction pleadings, such as answers and fee waiver forms on behalf of a pro per tenant.
 - 1.2.4.4 Pro per trial preparation assistance.
 - 1.2.4.5 Enforcement of existing ordinances and local executive orders through such means as drafting demand letters to landlords.
 - 1.2.4.6 Counsel and advice on housing matters such as rent increases. Tenant harassment, landlord notices, etc.
 - 1.2.4.7 Requests for reasonable accommodations.
 - 1.2.4.8 Determinations that the three-day notice is in violation of any applicable laws (including, but not limited to, the City's RSO, the Anti-Tenant Harassment Ordinance violation, or the Just Cause Eviction Ordinance) and refer any potential violations to LAHD so the department can open a case to investigate the complaint and issue a letter to the landlord to stop the eviction;
 - 1.2.4.9 Referrals to LAHD to ensure tenants receive responses to their issues and they are navigated through the proper filing of complaints with the City Departments' Code Enforcement sections/units (LAHD, Los Angeles Department of Building & Safety, and/or other local government entities such as the Los Angeles County Department of Public Health), as well as help tenants receive assistance with any fair housing issues/violations by referring them to a fair housing organization.
 - 1.2.4.10 Any other service ordinarily provided by Contractor, or a subcontracted legal service provider, reasonably related to preventing a tenant from eviction or displacement.
- 1.2.5 In the event that it is determined a Non-Covered Individual receiving Limited Scope Legal assistance requires Full Scope Legal Representation to resolve a Covered Proceeding, Contractor may assist the individual pending availability of Full Scope Legal Representation capacity, or may refer to other available attorneys, including private attorneys who practice unlawful detainer law.
- 1.3 LSPs shall work in conjunction with community based organizations on workshops and clinics.
- 1.4 LSPs shall work in conjunction with any provider of rental assistance or other financial assistance as prescribed by LAHD.

Appendix H

Tenant Outreach and Education Full Program Guidelines

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Article I. General Overview

Section A. Introduction and Context

The November 2022 Citizens Ballot Measure ULA, which established the Los Angeles Program to Prevent Homelessness and Fund Affordable Housing (“House LA”), was written by affordable housing practitioners and successfully secured the support of 58% of voting Angelinos. The measure establishes robust funding to implement an array of homelessness prevention, tenant protection, housing preservation and housing production strategies. Anticipating that House LA’s transfer tax mechanism will create ample resources, the authors have directed a percentage of the annual tax revenue to Tenant Outreach and Education as one of many proactive strategies to prevent homelessness.

The guidelines prepared by the United to House LA Coalition and presented below are designed specifically for Tenant Outreach and Education services as provided by Stay Housed LA, plus any future outreach and education programs as determined by the Citizen Oversight Commission in consultation with community organizations, any reference to Stay Housed LA throughout this document is with this understanding.

Approximately 20,000 eviction cases are filed each year in the City of Los Angeles, where 889,000 renters live. Over 50% of tenants are rent burdened, and 25% are severely rent burdened. Providing residents with access to education and outreach will help mitigate and reduce the serious threats to the public health, safety and general welfare of residents in Los Angeles caused by the displacement and eviction of thousands of Angelinos.

Evictions create significant costs for local and state governments related to shelter funding, education funding, health care provided in hospitals instead of community-based providers, transportation costs for homeless youth, and foster care, the policing and incarceration of homeless people.

Furthermore, Black and Latinx tenants have been disproportionately impacted by COVID-19 itself, which has caused a cascade effect on incomes and the subsequent ability to pay rent, as shown in the Census Household Pulse Survey data. Providing a right to counsel to tenants in eviction cases is a proven means of preventing the disruptive displacement of families and the resulting social, economic, and public health costs of such displacement.

To address this array of concerns, House LA will allocate a projected \$16 million of annual funding to support tenant outreach and education. This Outreach and Education Program, based on the measure’s language and these guidelines, include the following elements (each of which is expounded on in the following sections of these guidelines).

- Meaningful Tenant Engagement: Acknowledging that true homelessness prevention is not only Outreach or Public Awareness or Education but includes Tenant Navigation and more. This includes but is not limited to collaboration and cooperation with wrap-around services, local resources and community groups, and other programmatic aspects of House LA as determined by subcontractors.

- **Accurate Messaging:** To the best of ability all parties involved will prioritize delivering accurate messaging regarding capacity, program updates etc to the public especially the target audience of this program tenant.
- **Flexibility:** Keeping homelessness prevention as the key goal, eviction prevention viatenant outreach and education will remain flexible in order to structure a program that can provide tenants with reliable information and support in a constantly shifting policy environment, with methods determined by subcontractors.
- **Tenant Empowerment:** The key focus of the program is to educate tenants of their rights in a confusing landscape and encourage them to assert their rights provided by law. When tenants feel safe and secure to assert their rights, this will translate to stronger communities as neighbors share information and resources with each other, ultimately building community knowledge and awareness of where to seek support. This can range from a call to LAHD to file a code violation complaint to understanding the court process and how to answer Unlawful Detainers to joining a community workshop on writing a letter to request repairs.

Section B. Purpose and Scope Overview

The purpose of these Program Guidelines is to implement the section of House LA, which supports Eviction Prevention via Tenant Outreach and Education conducted by Stay Housed LA, plus any future outreach and education programs as determined by the Citizen Oversight Commission in consultation with community organizations. This includes but is not limited to collaboration and cooperation with wrap-around services, connection and referrals to local resources and community groups, and other programmatic aspects of House LA. Eviction Prevention is the focus and priority for outreach and education, unless determined by Oversight Committee and Subcontractors as guided by values in sections 1 & 2.

House LA funding will support the following work:

1. Eviction Prevention via Stay Housed L.A.
 - a. Public Awareness
 - b. Outreach
 - c. Education
 - d. Public Events
 - e. Tenant Navigation
2. Tenant Outreach and Education on other relevant topics as needed, included but not limited to:
 - a. Harassment
 - b. Habitability and Code Enforcement
 - c. Section 8 Housing
 - d. Informal Housing

Section C. Commitment to Meaningful Tenant Engagement

House LA's goals include:

- Educate tenants about their rights to prevent displacement and eviction
- Empower tenants to assert their rights through providing an array of services including brief to comprehensive tenant navigation, in which a tenant continues to receive sustained support to address their immediate issue.
- Prevent and reduce homelessness by connecting residents to resources such as rental assistance, wrap-around services, supportive services.
- Maintain and preserve the current affordable housing stock, by informing tenants of their rights, how to seek repairs, file complaints with the City and address code violations, and more.

In alignment with this purpose, the Outreach and Education program seeks to preserve not only housing and the existing stock, but intergenerational family and community ties in the City via proactive homelessness and eviction prevention. This will be achieved by:

Offering services which are actively:

- Accessible: ADA compliant and language justice informed.
- Attune: to the needs and realities of different historically marginalized communities (such as but not limited to: disability, anti-black racism, homophobia, transphobia, sexism, lack of language access and other tenant experiences which affect the vulnerability of a tenants history and situation.) Implementation of service shall consider how the above may merit a shift in curriculum or delivery of service.
- Culturally relevant: Able to provide activities, communication, and follow-up in the appropriate manner in relation to the local area and the audience being served.
- Language Justice: Use language justice as a guiding principle to provide interpretation, translation and other agreed upon language justice accommodations to those whose primary language is not English.

Using curriculum which is strengthened by expertise in:

- Adult education
- Tenant rights
- Popular education
- Visual learning strategies

Staffing teams which are 51% comprised of staff which fall into at least one or more of the following categories:

- (1) Resident of local area being served and have a current zip code in the area;
- (2) Generational connection; while staff many not have a current zip code of the area being served and not a long term resident they will have generational connection to area being served

(some indications of generational connect are: born in the area, raised in the area, or have immediate family that lives or lived in the area etc);

- (3) Black, Indigenous or otherwise representative of the current diaspora represented in the area being served;
- (4) Is a tenant themselves of the local area being served and has experience learning their rights and responsibilities as a tenant and sharing that knowledge with others;

**Example: a staff of 3 in a community based organization would have at least 1-2 staff which fall into one of the above areas.*

Article II. Program Requirements and Procedures

Section A. Summary

In order to contribute to meeting House LA's overarching program goals, and in accordance with House LA's requirements for the Tenant Outreach and Education Program summarized above, the following is provided:

Section B. Scope of Services

Stay Housed LA provides a number of eviction prevention services including but not limited to the following:

1. Public Awareness
2. Outreach
3. Education
4. Public Events
5. Tenant Navigation

1. Public Awareness: A portion of this program will be Public Awareness. The Subcontractor shall conduct a citywide multilingual public awareness campaign to educate residential tenants about their rights and responsibilities under the laws of the City of Los Angeles, the County of Los Angeles, the State of California, and the Federal government. Contractor shall also educate tenants on the resources and services available to them. The public awareness campaign is intended to be broadly accessible to all tenants and communities in the City of Los Angeles, regardless of immigration status, technical literacy, language skills, and/or access to the digital hardware necessary to access online information. The public awareness campaign will support both in person and virtual Know-Your-Rights (KYR) education as well as tenant outreach efforts outlined below.

The Outreach and Education Program shall subcontract with strategic communications experts to complete all aspects of the public awareness campaign, including but not limited to:

Advertising

1. Digital advertisements
 - a. Subcontractors shall utilize digital advertisements on major social media platforms to educate tenants on their rights and the services available to them through this program. This can include: Determining advertisement placement, developing advertisement, facilitating advertising purchasing, assess reach of advertising placements, and adapt digital marketing implementation every week.
 - b. The Subcontractor shall work with designated partners such as community based organizations to develop a coordinated strategy for targeting digital advertisements.
2. Print advertisements shall be produced with input and approval by designated partners. The Subcontractor shall determine the appropriate asset, language, and placement for each community with designated partners. Print advertisements may include fliers, postcards, mailers, banners, or other appropriate assets.
3. Earned Media: The Subcontractor shall develop and execute a media engagement plan. The plan shall

include a calendar for earned media, which will be updated on an ongoing basis as news hooks present themselves. Earned media outreach shall include pitching media placements about tenant protections and services provided by the program at major print, television, and radio outlets, housing specific publications, hyperlocal media, and non-English outlets.

Website and Graphic Design

4. Website: The Subcontractor shall develop and manage a multilingual, ADA accessible website that centralizes information on tenant rights and resources pertinent to tenants across the City of Los Angeles. The website shall include, but not be limited to the following information:
 - a. Executive orders and emergency protections enacted by the City of Los Angeles
 - b. Information on LA City's Rent Stabilization Ordinance (RSO), resources offered by the Los Angeles Housing Department (LAHD), and other relevant tenant rights information for LA City tenants. Relevant County, State, and Federal tenant protections shall also be made available.
 - c. Archive of digital materials and resources, such as fact-sheets, letter/notice templates, FAQs, and other materials as necessary.
 - d. Contact information and links for the Contractor and consortium of partners, LAHD programs, including programs under the Rent Stabilization Ordinance (RSO), and Family Source Centers (FSCs).
 - e. Links to key City and County departments that offer wrap-around and supportive services, as provided by LAHD.
5. Graphic Design: The Subcontractor shall use a graphic designer to produce at least six different visual assets for use on the program website, advertisements, and other collateral. The Subcontractor shall ensure a consistent visual identity with the existing Stay Housed LA brand. The Subcontractor may share with the City for feedback purposes to ensure the public awareness campaign's materials, literature, website, and general messaging.

Communication Strategy

- a. The Subcontractor shall use strategic communication consultants to manage and implement the Public Awareness Campaign, which includes:
 - b. Coordinate with the Subcontractor and consortium of partners to implement the Public Awareness Campaign.
 - c. Coordinate with the digital advertiser, website developer, and graphic designer to implement the campaign.
 - d. Ensure campaign messaging, website, and literature conform to Stay Housed LA's brand.
 - e. Ensure all public awareness materials are ADA accessible and information is provided in multiple languages.

2. Outreach: The Subcontractor shall deliver culturally competent, multilingual, ADA accessible, tenant outreach activities citywide as well as in high-need areas in the City to inform and educate tenants on their rights and services related to this program. Outreach activities include but are not limited to:

- Phone and text banking
- Canvassing
- Flier distribution to major essential businesses, grocery stores, hardware stores, pharmacies,

- medical facilities, foodbanks, and locations where homeless services are provided.
- Mail fliers or postcards to low-income households in targeted buildings or blocks.
- Door to door outreach to low-income households in targeted buildings or blocks or at high risk of displacement

Subcontractors may modify the type of outreach conducted as public health guidance changes due to COVID-19. Outreach may result in the submission of any applicable complaints related to the City’s Rent Stabilization Ordinance (RSO) housing, Code Enforcement, harassment, and/or fair housing issues or referrals to the FSCs. Complaint resolution procedures are to be followed in accordance with the entity that receives the referral.

The Subcontractor shall work with LAHD to identify specific high-need neighborhoods and populations for targeted outreach and education.

- Subcontractor shall refer tenants to EDP legal service providers via the Stay Housed website to receive emergency rental assistance (when available), pre-eviction services, legal representation/consultation or any other legally related issue.
- Outreach staff shall refer residents to wrap around services if the tenant is interested in or needs additional rental assistance or services to ensure housing stability.
- Outreach staff shall refer tenants to other resources applicable to the tenant needs especially using the local expertise of the community based organization.
- Outreach staff will be trained in conducting ADA accessible outreach, including phone and text banking.

3. Education: The Subcontractor shall deliver culturally competent, multilingual, ADA accessible, tenant education activities citywide as well as in high-need areas in the City to educate tenants on rights and services tenants have access to in the City of LA. Outreach activities include but are not limited to:

- Workshops: hosting workshops in a range of Know Your Rights topics
- Building Workshops: hosting workshops at the building or residential property tenants live in and cover a range of Know Your Rights topics
- Clinics: Events hosted by a community based organization where participants can have an individual conversation with a qualifying legal service provider.
- Other education events: as deemed appropriate and useful in homelessness and eviction prevention.
 - These events shall be delivered virtually, hybrid or in-person as it is deemed most effective for the targeted audience and the health and safety concerns of the time.
 - Virtual education events may be delivered on social media. Workshops shall be conducted in multiple languages and ADA accessible as necessary. Attendees shall receive up-to-date information on tenant rights and services available through Stay Housed LA and other organizations funded by House LA.

Workshops, clinics, and other events can include any or all of the following activities:

- Conduct outreach to prospective tenant attendees
- Follow-up with tenants who have RSVP'd to confirm participation
- Coordinate logistics
- Provide interpretation, translation, and/or accessibility accommodations as needed
- Prepare materials
- Facilitate the educational event
- Collect attendance
- Conduct surveys (as appropriate)
- Educational activities may result in the submission of any applicable complaints related to the City's Rent Stabilization Ordinance (RSO) housing, Code Enforcement, harassment, and/or fair housing issues or referrals to the FSCs. Complaint resolution procedures are to be followed in accordance with the entity that receives the referral.

4. Public Events: To host a public event the supporting program staff and lead CBOs will:

- Conduct outreach to prospective tenant attendees
- Follow-up with tenants who have RSVP'd to confirm participation
- Coordinate logistics
- Provide interpretation, translation, and/or accessibility accommodations as needed
- Prepare materials
- Collaborate with City or community co-hosting organization
- Facilitate the educational event
- Collect attendance
- Conduct surveys (as appropriate)
- Educational activities may result in the submission of any applicable complaints related to the City's Rent Stabilization Ordinance (RSO) housing, Code Enforcement, harassment, and/or fair housing issues or referrals to the FSCs. Complaint resolution procedures are to be followed in accordance with the entity that receives the referral.

And

- Provide Childcare
- Provide water and snacks for tenants
- Provide food and breaks for staff
- Distribute printed materials to neighboring residential units
- If needed, coordinate with legal service providers via Stay Housed LA to host a legal clinic
- Coordinate other resources and information from city departments as needed
- Administrative support as needed for events such as capacity for receptionists to be dedicated to enrolling participants in the event once advertisement has launched.
- Other agreed upon resources and capacities needed

5. Tenant Navigation: Subcontractors will dedicate time to help tenants navigate a complex and oftentimes confusing housing rights and legal system. As tenants learn their rights and are referred to resources, it is imperative there is consistent follow up and support provided by CBO staff. This can include but is not limited to:

- Providing basic tenant education and information, via email, phone, text, video chat and in-person, to prevent homelessness and ensure tenants stay in their homes.
- Answering tenant questions regarding their housing situation via email, phone, text, video chat, and in-person. Assisting tenants with completing online intake forms and/or enroll in workshops.
- Reminding tenants to submit necessary paperwork to their landlords and/or their assigned attorney.
- Helping tenants connect with their assigned attorney to receive legal guidance and representation.
- Providing other types of support to tenants and referrals, on an as-needed basis, as they work through their housing crisis.

Section C. Eligible Participants

House LA Program establishes the Outreach and Education program via Stay Housed LA and agreed upon subcontractors to prevent homelessness in Los Angeles.

Tenants: Eviction Prevention services as provided by Outreach and Education under House LA prioritize the tenant and prevent evictions for tenants in Los Angeles. Outreach and Education does not prioritize landlords or master tenants with these services.

Subcontractors: Subcontractors for Stay Housed LA eviction prevention are chosen by the existing Stay Housed LA Steering Committee and approved by the Citizen Oversight Committee.

Section E. Budget

The total projected annual budget for the House LA Outreach and Education Program is \$16 million. The full budget is tentatively allocated toward subcontractors providing services outlined in scope of work above. Total contract amount may vary according to the number of contracts awarded and work stipulated. LAHD must have a strong commitment to fully recognizing the inherent value of the work provided. LAHD must work to fairly compensate subcontractors at competitive rates and factor in inflation, costs of living increases, etc over the next decade in order to retain staff.

Section F. Data Collection & Reporting

Subcontractor shall collect program metrics and participant data. Subcontractor shall be responsible for continuously tracking and reporting the following data on a monthly basis:

- Number of virtual workshops, webinars, clinics, or other engagement events;

- Number of tenants reached through online public awareness, outreach, digital ads, and educational platforms;
- Monthly narrative reports with overviews of communications, outreach and education activities
- Subcontractor shall also regularly collect and report on pertinent qualitative data, including oral histories, to highlight program participant and Service provider success stories.

Section E. Evaluation

At the end of the contract, an evaluation will be conducted on the Outreach and Education program.

Article III. Collaboration and Cooperation

Section A. Overview

The purpose of the Tenant Outreach and Education Program is to prevent homelessness via tenants made aware of resources, educated on their rights, and how to apply use of resources and rights. Tenants are then guided through the process of navigating services, moving through an eviction court case, and many other tenant vulnerabilities that would otherwise lead to homelessness. This program is unique from eviction prevention programs across the country because of the local expertise that is incorporated into tenant services via Outreach and Education. This local expertise is then supplemented by collaboration with Legal Service Providers and other agreed upon Subcontractors. Here are guidelines for cooperation and collaboration:

Section B. Community Based Involvement

Local expertise shall be leveraged for the tenants benefit via execution of Outreach and Education services by Community Based organizations or other agreed upon local entities which hold deep ties across time and area of the geographic location being served.

Section C. Legal Service Providers (LSP)

The main collaboration with Outreach and Education will be with the Legal Service Providers, where together tenant needs are first met.

Section D. Rental Assistance

Outreach and Education shall collaborate with the House LA's rental assistance program to support vulnerable tenants who qualify for rental assistance. This collaboration will include referring tenants to the rental assistance program.

Section E. Wrap-Around Services

Provide services to individual tenants as deemed necessary.

Section F. Other agreed upon subcontractors

Outreach and Education shall collaborate with other agreed upon subcontractors to deliver services relevant to tenant rights and the enforcement of such rights.

Appendix I Protections from Tenant Harassment Full Program Guidelines

I. Overview

A. Introduction and Context

Measure ULA, a November 2020 ballot initiative written by experts in affordable housing and tenant protections, passed with 58% of the vote. It establishes the Los Angeles Program to Prevent Homelessness and Fund Affordable Housing (“House LA”), which changes a documentary transfer tax on certain large real estate purchases to fund an array of homelessness prevention, tenant protection, and housing production strategies, as well as housing preservation. As part of its Homelessness Prevention Program, the law requires that a certain percentage of tax revenue be spent to educate tenants about harassment, monitor compliance with Los Angeles’s existing tenant anti-harassment laws, and enforce them.

Landlord harassment causes tenant displacement. Even if a formal eviction is never filed, many tenants choose to self-evict rather than live through harassment that can be emotionally draining and sometimes physically dangerous. Landlords engage in harassment in order to circumvent tenant protections that would otherwise keep people housed. In 2021, an estimated 500 or more tenants experienced landlord harassment in the City of Los Angeles each month.⁴⁶

These Guidelines prepared by the United to House LA Coalition are designed specifically for the House LA Protections from Tenant Harassment Program (“Program”), and will guide the Los Angeles Housing Department or its successor agency (“Department”) in implementing the Program.

B. Purpose and Scope

The purpose of these Program Guidelines is to implement Section 22.618.3(d)(2)ii.c. of House LA, which establishes the Protections from Tenant Harassment Program, which is designed “to fund non-profit organizations and City services to monitor and enforce protections against tenant harassment and other tenant rights, and to inform tenants of such protections and support them in exercising their rights.”

⁴⁶ Cantong, J., Landlord Harassment & Illegal Eviction, USC Price Center for Social Innovation, tbl. 2 “Landlord/Tenant Dispute Calls by Month, 2010-2021” (Mar. 22, 2022), <https://usc-ndsc-wordpress.azurewebsites.net/landlord-harassment-illegal-eviction/>. See also, Dillon, L. & Poston, B., Despite protections, landlords seek to evict tenants in Black and Latino areas of South L.A., L.A. Times (June 18, 2020), <https://www.latimes.com/homeless-housing/story/2020-06-18/despite-protections-landlords-attempting-to-evict-tenants-i-n-south-l-a-black-and-latino-neighborhoods-data-shows>.

Program requirements detailed in the measure are as follows:

- **Shared responsibility between City and nonprofits.** At least 30% of Program funds must be used for programs or activities led by nonprofit organizations. However, the City also retains responsibility for leading at least some of the Program
- **Education, Monitoring, Enforcement, and Support.** The Measure requires that Tenant Harassment Program funds be spent in all four of these areas, even if other program areas may also be used for some of these purposes.

C. Commitment to Racial Equity

House LA's Goals include: "Deploying programs and policies funded through this initiative in such a way as to address racial segregation, dismantle racially exclusionary practices, and promote racial equity in housing, academic, and economic opportunities."⁴⁷ In alignment with this purpose, the Protections from Tenant Harassment Program seeks to enhance racial equity through resource distribution, implementation strategies, and outcomes. Furthermore, these Program Guidelines have been established in accordance with the Vision of the City of Los Angeles' Office of Racial Equity, which states that "We envision a City that authentically engages communities most harmed by systemic racism, as leaders and collaborators, in the process of identifying data, distributing public resources, and reforming policies that impact outcomes of Civil + Human Rights and Equity." Additionally, the Department will incorporate racial equity metrics in program evaluation.

D. Additional Legislative Changes

In addition to the Program described below, the United to House LA Coalition has identified three key legislative changes to the City's Tenant Anti-Harassment Ordinance (TAHO) that would vastly improve the Program and help it meet House LA's goals. First, LAMC § 45.35.B should be amended to make attorney's fees and costs mandatory if a tenant prevails in a lawsuit under the law. Second, the penalties in LAMC §§ 45.35.B and C should be augmented to include mandatory treble actual damages (including for mental/emotional distress) if larger than the applicable penalty, in addition to the flat penalty currently in the law. Third, TAHO should include an explicit three year statute of limitations during which tenants can bring claims.⁴⁸ These legislative changes will increase civil enforcement by incentivizing the private bar to take these kinds of cases on behalf of aggrieved tenants without risk of going unpaid.

However, private bar enforcement is simply not sufficient to remedy the actual harassment that Los Angeles tenants face every day, and it will not provide the deterrent effect necessary to reduce that harassment in the aggregate.

⁴⁷ Los Angeles Administrative Code § 22.618.1(f).

⁴⁸ Without this, tenants may only have one year to bring claims, which will reduce the number of enforcement actions filed. Cal. Code of Civ. Proc. § 340.

II. Program Requirements

The Department shall use the Protections from Tenant Harassment Program funds to monitor and enforce anti-harassment laws and educate and support tenants facing harassment by developing a City strategy to monitor and enforce the Tenant Anti-Harassment Ordinance (TAHO), and by contracting with nonprofit partners to educate and support tenants in enforcing the law.

A. City Program

1. City Program Overview

As close to 70% of Program funds as possible should be spent directly by the City of Los Angeles. The Department should develop a robust monitoring and enforcement division, and the Office of the City Attorney should be given resources to bring criminal and/or civil charges against violators of the law.

2. Los Angeles Housing Department

LAHD currently does not enforce the City's TAHO beyond sending "informational letters" and/or reclassifying complaints of harassment to fall under an existing LAHD division. Program funds should be used for the Department to develop a Tenant Anti-Harassment (TAH) division as part of its Regulatory Compliance and Code Bureau. TAH should be responsible for investigating claims of harassment and enforcing City law, either itself or through partnerships with the City Attorney and nonprofits.

- TAH should have an accessible complaint intake system that is easy for tenants to access and complete, such as multiple entry points and a variety of language options.
- TAH should employ investigators who proactively work to assess and resolve complaints.
- The results of the investigations should be publicly accessible, similar to code enforcement violations.
- TAH investigations that do not conclusively determine that violations of TAHO did not happen should result in a letter that is more than "informational."
 - Letters should identify all parties who may be responsible for harassment, including but not limited to property management, the landlord, and/or the developer.
 - Investigators should be empowered to issue fines and fees to the maximum extent allowed by law.
 - To the extent relevant, letters should have a concrete timeline for the harassment to stop or be remedied, with consequences for noncompliance.
 - Letters should also function as a tenant's written notice required under LAMC § 45.35.F to bring a civil proceeding or small claims case.

TAH should not be siloed from the Rent Stabilization, Code Enforcement, or Compliance divisions—LAHD should ensure that these units are regularly coordinating work, since many times tenant harassment crosses over into one of these other areas, and vice versa. TAH should be another tool in LAHD’s belt to ensure that Angelenos have access to safe, healthy housing.

The Department should also establish a Task Force with the City Attorney and LSPs and CBOs contracted with Program funds to ensure that all responsible parties are coordinating and not working at cross purposes or duplicating effort.

After investigating cases, the Department should refer them to the City Attorney for potential criminal prosecution or civil litigation, and/or to LSPs for civil litigation, and/or to CBOs for tenant support and education. All referrals should include a full sharing of the LAHD case file and records to expedite fact investigation and litigation.

3. Los Angeles Office of the City Attorney

The City Attorney shall establish a division or unit dedicated to bringing criminal or civil lawsuits under TAHO. A well-resourced City Attorney’s office is better positioned to use litigation to achieve a deterrent effect and reduce harassment in Los Angeles, especially with a volume of criminal charges or civil penalties, rather than select high-profile lawsuits.

B. Nonprofit Program

1. Nonprofit Program Overview

The Measure requires that at least 30% of Program funds be spent on programs led by nonprofit organizations. The Program should stick as close to this 30% target as possible. Nonprofit organizations will face significant challenges with capacity if they are responsible for a larger share of the Program funds. In addition, it is important for the City to have as many resources as possible to sustain the City Program and enforce City law. The nonprofit program shall consist of multiple grants to Legal Services Providers (LSPs) and Community-Based Organizations (CBOs).

2. Legal Services Provider Grants

The Department shall award Grants to one or more LSPs for the purpose of enforcing TAHO.

- **Eligibility.** Grantees must be Legal Services Organizations, as defined in the Eviction Defense/Prevention Guidelines.
- **Length.** Each Grant shall last for a minimum of three years. Grants may be renewed at the Department’s discretion. If a Grant is not renewed, either because the Department declines to award an additional Grant or because the Grantee(s) choose not to apply, wind-down funds shall be provided to assist with concluding lawsuits and transferring obligations and operations to another grantee.

- **Goals.** The goals of the Grant and of the program shall be
 - To provide full-scope and limited-scope legal representation to pursue affirmative tenant anti-harassment claims; and
 - To assist and empower tenants, through legal strategies, who are facing tenant harassment, and raise public awareness and exposure of anti-harassment rights to act as a deterrent to landlords going forward.
- **Program.** Each Grantee shall operate the following program:
 - Provide Full-Scope Legal Representation to tenant households in order to resolve harassment issues, including filing for affirmative tenant anti-harassment cases under the City's Tenant Anti-Harassment Ordinance.
 - **Full-Scope Legal Representation** is ongoing legal representation provided by an LSP to a client, and all legal advice, advocacy, and assistance associated with that representation. Full-Scope Legal Representation shall be provided by a lawyer authorized to practice in the State of California.
 - Lawsuits brought with Grant funds may also include any other appropriate legal claims in addition to those under the City's TAHO.
 - Provide Limited-Scope Services to tenant households facing harassment.
 - **Limited-Scope Services** includes, but is not limited to: legal consultation/advice, assistance with filing or completing forms in proper, and/or referrals. It does not include tenant education or Full Scope Legal Representation.
 - Eligible costs shall include (but should not be limited to) salaries and benefits for attorneys, paralegals, secretaries, case managers, and supervision thereof; costs and fees associated with enforcement; and nonprofit program administration, including overhead.

3. Community-Based Organization Grants

The Department shall award Grants to one or more CBOs for the purpose of educating about TAHO and enforcing compliance with it.

- **Eligibility.** Grantees must be nonprofit Community-Based Organizations.
- **Length.** Each Grant shall last for a minimum of three years. Grants may be renewed at the Department's discretion. If a Grant is not renewed, either because the Department declines to award an additional Grant or because the Grantee(s) choose not to apply, wind-down funds shall be provided to assist with transferring obligations and operations to another grantee.
- **Goals.** The goals of the Grant and of the program shall be
 - To educate litigants, via online resources, workshops, and clinics on TAHO and what steps can be taken to combat tenant harassment and displacement; and

- To assist and empower tenants, through organizing and legal strategies, who are facing tenant harassment, and raise public awareness and exposure of anti-harassment rights to act as a deterrent to landlords going forward.
- **Program.** Each Grantee shall operate the following program:
 - Conduct workshops/clinics on tenant harassment. Workshops/clinics are intended to be educational but may also be done in partnership with Grantee LSPs and be used to identify/screen cases for Limited-Scope Services or Full-Scope Legal Representation.
 - Eligible costs shall include (but should not be limited to) salaries and benefits for tenant organizers, outreach workers, social workers, case managers, other employees, and supervision thereof; costs and fees associated with workshops; and nonprofit program administration, including overhead.
 - The Department should explore modeling the CBO grants after the REAP/UMP Outreach Contractor program.