

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 requirements that they remain affordable. Those who live in “naturally occurring affordable housing” are at the highest risk of displacement 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, to reset at higher rents. It is only at that point, sometimes, that property owners who have already been extracting profit from their buildings finally invest in upgrades to the housing stock – 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 is designed to address the precarious position of these vulnerable households by acquiring properties, rehabilitating them, and protecting them in perpetuity from speculative real estate practices by making them permanently affordable. The program requires working hand-in-hand with the residents to care for the building, and wherever it is feasible and the residents are interested, creating the opportunity for tenant ownership.**

ULA funds represent a unique chance to build a new program for the city, by converting NOAH properties to be permanently affordable, and then positioning the tenants differently in relation to their housing, to make tenants their own mom and pop landlords, to stabilize low-income residents in their housing, to be sustainable over the long-term, to promote resident participation in building management and operations, and to advance racial equity.

The Acq/Rehab program will provide funding to eligible entities to acquire and rehabilitate housing units, utilizing a fund manager to increase responsiveness to market pressures and be effective in removing properties permanently from the speculative market by establishing public, non-profit, and/or community. They may also include a plan for tenant ownership, such as a Limited-Equity Housing Cooperative. In coordination with the LA Housing Training Hub, the Acq/Rehab program will provide training and resources to advance resident’s role in management, as well as ownership opportunities. Through rapid acquisitions and a relatively low cost (6 times faster and at 47 % less expensive on a per-unit basis than a new construction for a comparable LA County program^[1]), the ULA’s Acq/Rehab Program can show rapid gains through the deployment of ULA dollars. By advancing a NOAH Acq/Rehab program, Los Angeles will be joining the efforts of the State, San Francisco, and Oakland in developing programs that support small site acquisitions and fund community and tenant ownership options to combat displacement, stabilize families, and prevent homelessness.

[1] [Preventing Tenant Displacement through Community Ownership Pathways](#). Lesar Development Consultants. October 2022.