



To: Members of the United to House LA Citizens Oversight Committee (COC)
Cc: Jenna Hornstock, Deputy Mayor of Housing, Office of Mayor Karen Bass
Cc: Ann Sewill, General Manager, LA Housing Department

From: the United to House LA Coalition

June 8, 2023

Re: Recommendations pertaining to the proposed Expenditure Plan and Program Guidelines agendized for the June 8, 2023 meeting of the Citizens Oversight Committee.

The United to House LA Coalition would like to recognize the historic moment we find ourselves in as the Citizens Oversight Committee considers the first ever (temporary) Expenditure Plan and Program Guidelines for Measure ULA. Thank you to each of the Citizens Oversight Committee members for taking on this fundamental role to ensure Angelinos can trust and participate in an accountable process. We also express appreciation to Mayor Karen Bass, the members of City Council and the LA Housing Department for establishing the Citizens Oversight Committee on an admittedly fast timeline outlined in the measure. Our coalition embraces this opportunity to fully engage with each of you as partners towards a full and comprehensive implementation of ULA.

About the United to House LA Coalition

The United to House LA coalition authored Measure ULA and led the campaign for its passage on the November 2022 ballot in the City of Los Angeles. The coalition is composed of homeless service providers, affordable housing nonprofits, labor unions, worker centers, and renters' rights groups. Measure ULA was created to generate an unprecedented and permanent 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. The UHLA Coalition remains fully committed to the implementation of Measure ULA, and has pulled together experts from over 140 organizations to draft [proposed guidelines for ULA programs](#)¹ submitted to the City of LA in January 2023. These guidelines have been designed to ensure that Measure ULA expenditures closely follow the ballot measure's language and the original intent of its authors, while 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.

Recommendations

On June 8, 2023, the United to House LA Citizens Oversight Committee will consider an initial Expenditure Plan and initial Program Guidelines. We provide the following recommendations to complement the proposed guidelines we submitted at the beginning of this year and in direct

¹ UHLA coalition proposed program guidelines: <https://unitedtohousetla.com/app/uploads/2023/05/ULA-Coalition-Program-Guidelines.pdf>

response to the proposals drafted by the LA Housing Department (LAHD). They can be found in the following sections below:

- I. Budget, Expenditure Plan, and Financial Transparency
- II. Process and Implementation
- III. Program Guidelines

I. Budget, Expenditure Plan, and Financial Transparency

- A. **The administrative budget in the Expenditure Plan should be itemized and described in detail.** Currently there is no description of how the 8% for administration costs is proposed to be utilized. Descriptions of staffing and activities to be funded are needed for public transparency.
- B. **Commit additional ULA dollars after initial court ruling.** The City has committed only \$150 million out of an estimated \$670 million of revenue for FY 23-24, because of outstanding litigation. We believe this approach is too conservative given the urgency of the current housing and homelessness crisis. However, if the City is not willing to commit to additional spending now, we ask that the City does commit additional ULA funds following the first court ruling in favor of ULA. The assumption that litigants will appeal the court ruling should not prevent the City from acting with greater confidence that ULA will prevail as the law of the land. These resources are needed more now than ever. Following the ending of the Covid-19 emergency tenant protections, we have seen a spike in evictions - now, over 4,000 per month in the City. Our unhoused crisis is likely to get worse if we do not put ULA dollars to use as soon as possible.
- C. **Make ULA revenue collection and expenditures transparent.** Los Angeles voters not only supported a revenue generation tool in Measure ULA, but also voted for an accountable process, as represented by strong support for the Citizens Oversight Committee. We recommend that the City require a monthly report from the Department of Finance on all revenues collected from the documentary transfer tax. Additionally, the City Controller's Office should create a public dashboard for tracking revenues raised, dollars spent and impact metrics for ULA dollars.

II. Process and Implementation

- A. **As experts in policy, programs and lived experience, the role of the Citizens Oversight Committee as experts and decision makers must be upheld throughout the process, as intended in the statute and described in SEC. 22.618.6 of the measure.** The urgency of timelines should not diminish the COC's role in the process to approve expenditure plans, develop program guidelines, audit the fund and monitor implementation.
- B. **Establish permanent Program Guidelines immediately following the approval of the temporary guidelines for Fiscal Year 2023-2024.** The guidelines discussed at the June 8, 2023 COC meeting are designated only for the initial year of ULA implementation. Once these temporary measures are adopted, we ask that the COC immediately calendar meetings to adopt each of the long-term Program Guidelines, in order to inform long-term planning, including a proactive staffing plan.

- C. Establish a proactive staffing plan for ULA implementation.** Measure ULA will raise unprecedented levels of revenue for critical housing programs. To effectively operate at this enhanced scale, the City must immediately plan for a ramp-up period. Core to this must be a proactive staffing plan for the scores of new public and private jobs created by ULA. The City should not wait until lawsuits are resolved or any other form of delay to prepare for this. The City's job vacancy rate reminds us of the need to plan intentionally how to fill new ULA positions. A proactive staffing plan should be established immediately that would allow for City agencies to hit the ground running as soon as new funds become available. Any delay in implementation caused by hiring will unnecessarily prolong our housing crisis. Let's take the time now to prepare.

III. Program Guidelines

The recommendations below are provided in response to the [Program Guidelines drafted by LAHD](#) for the Citizens Oversight Committee meeting on June 8, 2023. LAHD's proposal includes the six (out of a total of 11) ULA programs prioritized in Mayor Karen Bass's proposed budget approved by City Council earlier this year. As mentioned above, the [UHLA coalition has provided detailed program guideline proposals](#) to the City. The following are intended to complement those proposals in light of those provided by LAHD.

A. Alternative Models for Permanent Affordable Housing

No Alternative Model program funding for a "leasehold" program - A leasehold program does not reflect the intent of the authors to create homes through a novel housing system that addresses the housing affordability crisis by permanently decommodifying housing stock and putting that housing under resident control. A leasehold program is not an alternative model, and we are concerned that a leasehold program would instead siphon off our public dollars to for-profit housing development.

Instead of a leasehold program, the City should fund the following:

- **\$9 million of Alternative Models funding for a Social Housing Demonstration project**, covering pre-development and acquisition costs on a project that will be deeply affordable permanently with strong tenant governance and/or ownership. Eligible activities shall include making a loan of up to \$5 million to a qualified nonprofit housing entity to purchase land suitable for the demonstration of a social housing model and land that remains owned by a public agency, community land trust, or limited equity housing cooperative. In addition, eligible activities shall also include up to \$4 million for predevelopment activities that includes planning, various feasibility analyses, and community engagement, conducted in order to plan for a social housing project anticipated to be funded from the FY25/26 House LA budget, and which will fully meet the Alternative Model requirements for affordability, length of covenants and resident participation, as well as the ULA and City requirements for wage and labor agreements and accessibility. Funding should go to qualified nonprofit affordable housing entities which have values aligned with the resident management goals of the Measure, and have an interest in innovative social housing strategies and a long-term resident ownership and/or management plan, including engaging a tenant organization,

community land trust, or emerging BIPOC organization that will become an integral partner in facilitating resident leadership/ownership.

- **\$300,000 of Capacity Building funding** to develop tenant management and ownership training modules for human infrastructure such as: governance structures, resident councils, budgeting, operations and more.

B. Protections from Tenant Harassment

Full enforcement of the Tenant Anti-Harassment Ordinance (TAHO) is critical to preventing homelessness. Despite TAHO being City law for 2 years, harassment of tenants remains rampant throughout the City and is a key driver of displacement and homelessness. Harassment disparately impacts communities of color and tenants most vulnerable to intimidation and coercion. Estimates have held that for every 1 formal eviction, up to 6 households are displaced by illegal and informal means with harassment being common in these cases². The two-thirds reduction in funding in year one indicates a lack of commitment to this important tenant issue. The City needs to begin staffing immediately.

We should look at models in cities like Santa Monica and Oakland for considering approaches to enforcement of tenant anti-harassment protections. Each city has a strong, proactive unit in their city attorney's office that works with the housing department and with community groups to file cases against offending property owners. The approach Los Angeles needs must combine ongoing enforcement via citations and fines with the threat of litigation and consent decrees. We call on the City to create a program that includes an effective public enforcement tool. (Crucially, these models also have mandated attorney fees provisions that help fuel enforcement - one of several changes in Los Angeles' TAHO that City Council must adopt.)

LAHD's proposed program represents some important elements, but also comes up short in a few key ways. Therefore, we provide these recommendations.

The tenant anti-harassment program needs a strong enforcement team in the City Attorney's office. The current plan proposes taking \$8 million away from the tenant anti-harassment program to fund other priorities. This is unacceptable when harassment is on the rise. Specifically, we call for **additional funding to remain with this program and be allocated to the following:**

- City Attorney staff devoted to supporting LAHD's implementation of citations and fines under the Administrative Citation Enforcement program; and
- At least one additional attorney, and appropriate support staff, to be added to establish a team of attorneys devoted to prosecuting TAHO cases against repeat offenders.

We support the following proposed elements:

- **Creating a dedicated LAHD enforcement team.** Many forms of harassment cross over with Code and/or Rent Division responsibilities, so it is appropriate to initially staff this

² <https://www.newamerica.org/future-land-housing/reports/informal-evictions-measuring-housing-displacement-outside-the-courtroom/> and <https://www.huduser.gov/portal/periodicals/cityscpe/vol23num2/ch15.pdf>

program with people who understand those areas and can identify the distinct nature of harassment violations.

- Nonprofit partners as key to outreach and education. Nonprofits often have the specific cultural competencies and trust within the community to ensure that tenants understand their rights and report harassment. Community organizations will be key partners in ensuring that harassment cases are brought to light.
- Funding necessary database systems to track harassment offenders. Technological investments can provide needed infrastructure for this program. A case management system that allows real-time tracking of complaints and the ability to cross reference across multiple buildings with the same owner, and between TAHO, Code, and Rent complaints, is essential to successful enforcement.

Lastly, **the Citizen Oversight Committee must closely monitor the implementation of this program in order to ensure the resources committed are effectively producing the intended outcomes.** Tenants in Los Angeles have spent two years waiting for TAHO to be fully implemented. With new funding in hand, the City cannot afford a program that is not trusted in our communities to be an effective tool against displacement and homelessness.

C. Short-Term Emergency Assistance

Economic hardships have long proven devastating for the many tenants in Los Angeles that are one shock away from becoming unhoused. The UHLA Coalition included Short-Term Emergency Assistance in Measure ULA to complement other homelessness prevention measures with targeted rental assistance dollars to prevent evictions in conjunction with eviction defense and anti-harassment measures. As Los Angeles faces the first of two massive “eviction cliffs” caused by COVID debt repayment periods beginning in August, we ask that the City create a program that keeps tenants housed whether they have had a COVID-induced or non-COVID-induced economic hardship. We recommend the following

- **Allow for both rent arrears and prospective future rents.** For eligibility requirements, the program should provide flexibility for tenants to apply for both current arrears and future rent. Covering a tenant’s future rent is essential to preventing displacement and keeping tenants housed. Many tenants will move out if they are unable to pay the coming month’s rent, or endure hardships to avoid arrears. The program should not be exclusively for rental arrears.
- **Eliminate the time period requirement for economic hardship.** The proposed program requires eligible tenants to face economic hardship from March 2020 through January 31, 2023. When Measure ULA was written, the intention was to establish a permanent ongoing program that addresses the overall economic hardship of tenants, not only COVID rent debt. Also, because of the relatively small cap, this program is more useful as ongoing rent relief rather than past COVID debt. Finally, the criteria focuses only on unemployment. It should be broadened to include other economic hardship such as family crisis, higher consumer debt, loss of government benefits, etc. Tenants should also have more flexibility to provide documentation to demonstrate economic hardship, beyond the documents currently listed.
- **Include tenants with Section 8 and public housing subsidies.** In LAHD’s proposal, these tenants are excluded. Specifically, we propose that tenants with Section 8 or

public housing subsidies qualify for rent arrears only. This will ensure that the most vulnerable and low-income tenants stay in their homes.

- **Increase the cap to at least \$15,000 per household.** LAHD proposes only a \$7,500 max cap per household. Currently, the city provides up to \$20,000 for the Stay Housed LA rental assistance program. We believe that the cap must be increased to ensure this program can more effectively keep people housed. In addition, **it should not be restricted to a one-time payment.**
- **Remove the requirement of photo ID for landlords.** While a bigger, more comprehensive program would do well to target smaller landlords, this smaller one-time program (under the \$150 million proposal) could exclude tenants in need who seek support from the program but have a landlord who is registered as an LLC, corporation or trust. Further, requiring landlords to provide a photo ID will dissuade many from participating in the program. As a principle, we do not believe the public benefits at all from enriching corporate landlords. So, the permanent Program Guidelines must be structured intentionally to protect the most vulnerable tenants, mission-driven property owners and truly small landlords.
- **Participating landlords must be required to not evict tenants after receiving the rental assistance.** This is critical to ensure tenants are able to stay in their homes long-term.

D. Income Support for Seniors & Persons w/ Disabilities

Seniors are commonly on a fixed income, so the City's Time-Limited Subsidy (TLS) program for low-income unhoused seniors should not set an arbitrary two-year time-limit on the rental subsidy and services.

- The TLS program should model itself on HUD's Section 202 vouchers, where seniors can access the voucher until the individual no longer needs the voucher - at which point the City can either reuse the subsidy for another senior or reinvest the funding into ongoing cash assistance for severely rent-burdened seniors and persons with disabilities.

We are encouraged to see that there will be a flexible pool of funds to support move-in costs.

- 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.

While this initial expenditure plan and program guideline will address the critical issue of immediately securing housing for seniors and persons with disabilities currently experiencing homelessness, there is a second component recommended for this prevention program: Targeted Cash Assistance Based on Need for senior renters who are severely rent burdened.

- The City should not halt its effort to determine the best ways to target those dollars once ULA has a more stable financial outlook in the coming years. This will serve as a transitional support for those seniors that were previously homeless and need ongoing rental assistance.

- Fortunately, LA is already home to several programs, hotlines, and websites that provide similar support to at-risk households (examples include the Guaranteed Basic Income program and Solid Ground Homelessness Prevention).
- The City must prioritize synergy, collaboration, and consolidation with other prevention and problem-solving programs at LAHSA, the City, and the County.

Therefore, it is important to adopt the full Program Guidelines proposed by the UHLA coalition for Income Support for Seniors & Persons w/ Disabilities.

E. Multifamily Affordable Housing

We appreciate the intentions of the Multifamily Accelerator Plus program, with its potential to bring 800 units online within the first two years of ULA spending. This is a great way to stretch the finite amount of funding available to us while litigation is pending. LAHD should consider providing tighter definitions for the following:

- **Labor:** It is important that any ULA dollars spent on this program follow the ballot measure's labor requirements. The City should clearly state if only existing projects already using PLA's will be eligible for Accelerator funds.
- **Units:** The City should make clear if there will be a 40+ unit minimum to be eligible for Accelerator funds, as required by the ballot measure's language.
- **Construction Starts & Tax Credits:** Requiring that projects start construction within 3 months assumes that projects already have tax credits awarded. However, the main hurdle for projects is often that they lack gap financing to apply for tax credits. It may be more effective to offer gap funding to projects that need an injection of funds and are otherwise ready to apply for tax credits.
- **Construction Completion & Deadlines:** LAHD should be clear about how construction completion is defined (temporary certificate of occupancy, Final certificate of occupancy, etc.). Depending on the selected definition, the 24-month deadline will likely be too tight for many projects. LAHD could consider offering 32 months, while possibly prioritizing projects that can demonstrate that they will finish sooner.

F. Eviction Defense and Prevention

We support expanding Stay Housed LA's legal services capacity and agree with the overall approach laid out in the guidelines. As we move towards a Right to Counsel in the City of LA, we must prepare for a zip code-based phase-in plan to ensure the most vulnerable and low-income tenants are prioritized to receive legal representation when facing eviction, so we would like to see this reflected in the permanent program guidelines. This is critical as eviction filings rise and thousands of tenants face eviction and homelessness. The reference to outreach should be removed as this is solely legal services and rental assistance.

G. Tenant Outreach & Education

We support the overall approach outlined in the guidelines for Tenant Outreach and Education. Community Based Organizations (CBOs) play a unique role in reaching tenants through multiple modalities, including door-to-door canvassing, phone/text banking, public workshops and digital outreach. CBOs provide culturally-relevant approaches that make know-your-rights information more accessible to vulnerable communities. Tactical attention to regular follow up with tenants

and best practices for navigating different systems and agencies are important elements to a tenant outreach and education program.

A key change recommended:

- Increase the funding level per deliverable in order to reflect the true cost and to maximize retention of staff.

H. Acquisition and Rehabilitation of Affordable Housing

Sixty-three percent of Angelinos live in rental housing, the vast majority in apartments with no affordability covenants. Those living in this “naturally occurring affordable housing” are at the highest risk of displacement and homelessness when those properties go onto the market, particularly in gentrifying, transit-rich and high opportunity areas, where property owners are motivated to maximize profits by pushing folks out of rent-controlled units, allowing them to reset to higher rents. ULA’s authors created the Acquisition and Rehabilitation for Affordable Housing program as a key homelessness prevention strategy that stabilizes communities and is designed to give residents more control over their homes. LAHD does not yet have an functional NOAH preservation program that facilitates rapid removal of small and medium multi-family NOAH properties from the market. **We propose that an additional \$14 million of ULA funding be made available, above the current \$150 million planned allocation, to establish a NOAH Acquisition and Rehabilitation for Affordable Housing Demonstration** that is designed to show rapid impact through deployment of funding via a fund manager, will protect the housing in perpetuity from speculative real estate practices through permanent affordability covenants, will structure resident participation in building management and operations, and will advance racial equity by creating a pathway to tenant ownership --- while demonstrating compelling results to LA’s voters about ULA’s impact.

Should the Citizens Oversight Committee decline to fund the crucial NOAH Acquisition and Rehabilitation Demonstration Program in the FY23/24 this month, the City must direct LAHD to fully staff and fund an infrastructure for a NOAH Acquisition and Rehabilitation program, to be ready to launch with funding in FY24/25, or if there is additional ULA funding to be deployed during 23/24. This infrastructure should include establishing a contractual relationship with a CDFI or other financial intermediary to serve as Fund Manager, to deploy ULA funding at the necessary speed to buy buildings in markets with high displacement risk, and furthermore will externalize some of LAHD’s staffing costs. Given the length of time that LAHD requires to design and launch new programs, we cannot be in the position to wait until FY 24/25 when the full allocation of ULA funds for this process are distributed to start setting up the program.

Furthermore, \$300,000 of Capacity Building funding should be deployed at this time (as detailed in the discussion above about Alternative Models for Permanent Affordable Housing) to develop tenant management and ownership training resources.

Next Steps

We look forward to continuing to work together on these initial (temporary) Expenditure Plan and Program Guidelines in the lead up to the next Citizens Oversight Committee and final vote.

Thank you for your consideration.

Respectfully,

The Steering Committee of the United to House LA Coalition

