

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

The Los Angeles Housing Department (LAHD) has built upon the work it has recently undertaken to remove barriers to affordable housing, expand the range of services available to traditionally underserved populations and ensure their fair treatment in the housing market. Among the populations affected by these programs are persons of color, individuals with disabilities, and low or moderate-income residents, whose need for safe, affordable housing is often not met by the market.

An ongoing resource available to the public on LAHD's website is an Internet-based tutorial called "Building Healthy Communities 101" about housing, planning and smart growth, which LAHD developed with consultants and CDBG administrative funds in 2003. The Housing Department has also worked together with the City Planning Department to develop new land-use incentives and similar programs to facilitate the development of new affordable and market rate housing.

In July 2005, Mayor Villaraigosa committed to placing a \$1 billion housing bond on the ballot in his first term of office. In addition, his proposed 2006-2007 budget continues to support the Affordable Housing Trust Fund with an increased General Fund allocation, while the City also continues to search for dedicated revenue so that this important priority is not competing for General Fund dollars with other high-priority services. Although the funds are not yet permanently codified, the Trust Fund demonstrates the political will to commit public local dollars to solving Los Angeles' housing crisis.

Some other ways the City is responding to the housing crisis include:

- LAHD's Systematic Code Enforcement Program ensures that all rental housing with two or more units is inspected every four years and violations are corrected.
- LAHD oversees the City's Rent Stabilization Program, which helps protect tenants of older apartment buildings from excessive rent increases.

HACLA has successfully implemented the Homeownership Supportive Services (HSS) Opening the Doors to Homeownership initiative, which provides public housing residents the necessary resources, intellectual tools and financial knowledge to prepare residents for home-ownership. The program focuses on financial literacy and money management, including the following topics:

- Introduction to banking basics
- Savings
- Understanding the power of credit
- Credit building and credit repair
- Investment strategies
- Preparing for home-ownership

These services are provided in collaboration with Homeownership Made Easy, West Angeles Community Services, Eric Ramos Money Smart, and East LA Community Development Corporation.

Phase II, Round II of the Homeownership Supportive Service (HSS) program initiative began during the summer of 2005 at Imperial Courts, Avalon Gardens, Nickerson Gardens, Jordan Downs, William Mead Ramona Gardens, Rose Hills, and Estrada Courts.

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Accomplishments:

HACLA has built an impressive network of relationships with resident groups as well as public, private and community based organizations, resulting in the formation of an Advisory Committee with members from:

- Resident Advisory Councils/Resident Management Corporations
- New Economics for Women
- Operation Hope
- Watts Century Latino Organization
- East LA Community Corporation
- West Angeles Community Development Corporation

The Advisory Committee has worked closely with Jobs-Plus, Section 8 staff, and residents to develop an effective program design for the Opening Doors to Homeownership Initiative.

HACLA served a total of 101 public housing residents with Financial Literacy classes, Credit Counseling and Homebuyer Education from January 2005 through December 2005, of which 59 are from Imperial Courts, Jordan Downs, Nickerson Gardens, and Avalon Gardens; and 42 are from William Mead, Ramona Gardens, Estrada Courts and Rose Hills.

An HSS grant resulted in two homeowners during 2005. Two families from Imperial Courts purchased a home during Phase II, Round II. One hundred and one completed the 22 hours of Financial Literacy classes and Homebuyer Education, signifying completion of a very important first step on the ladder to homeownership.

Section 8 Homeownership Program

In October 2000, HUD rules changed so that housing authorities could choose to allow Section 8 participants to use their Vouchers to buy a home. Participants must meet the program eligibility requirements, and attend a first-time homebuyer education workshop. Eligible participants are also required to meet minimum income and employment requirements (unless elderly or disabled). HACLA will use the participant's Housing Assistance Payment (HAP) toward the monthly homeownership cost, which includes principal, interest, taxes insurance, utilities, and reserves for replacement and repair. Approved participants are responsible for choosing a lender, meeting the lenders requirements and locating the property (single family residence, townhouse, condominium, etc.) of their choice within the City of Los Angeles.

Since the program's inception in 2000, HACLA has successfully assisted 41 clients to become homeowners. Six participants are currently house hunting. At present, the average HAP for a Homeownership participant is \$733, and only 38% of the homeowners have purchased condominiums. The purchase prices have ranged from \$95,200 to \$271,000.

The Section 8 Homeownership Program is currently working to expand current partnerships with lending institutions, certified Homebuyer Education providers, Individual Development Account/Empowerment Programs and private agencies to provide ample resources to eligible program families. While each family selects the home that will meet their individual needs and requirements, HACLA continues to market and inform approved families of affordable housing choices throughout the City of Los Angeles area.

To participate, a family must be eligible for Section 8, and must be a first-time home buyer. No family member can have been an owner for at least 3 years before receiving ownership assistance, and no one may have an interest in another home. The family must have an annual household income of at least \$10,300. Welfare income and SSI will be counted toward the minimum for elderly and disabled buyers, but no one else. Except for the elderly or disabled, the family also must have at least one adult member who has been employed full-time for a year.

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The family will also be required to attend counseling sessions to obtain a better understanding of all that ownership entails. There will be no charge for any session. Thirty households have closed escrow to date.