

### **Specific Housing Objectives**

- 1. Evaluate progress in meeting the specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.**
- 2. Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.**
- 3. Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.**

1) During the 2005-2006 Program Year, LAHD, through the Affordable Housing Trust Fund (AHTF), made commitments to 21 separate rental housing developments totaling nearly \$62.9 million in funding from all sources under the AHTF. These commitments are leveraging nearly four dollars in outside funding for every AHTF dollar. Similarly, the Major Projects Division of the Los Angeles Housing Department was able to complete construction on 7 separate developments that totaled 506 units to serve very-low and low-income individuals, families and seniors.

It is difficult to commit to serving a specific number of households at given income levels, because those numbers can change due to no fault of the Housing Department. If the inability to meet such commitments is later held against the City in an audit, when LAHD had no ultimate control over the final financial structure of a development, it would be an untenable situation.

Housing development is a multi-year process that is dependent on many funding sources and vulnerable to delays and cost increases over which there is little or no control. A housing development proposed to serve extremely low-income families may not be awarded the type of subsidy needed to reach that low on the income scale; it may need to be restructured to serve relatively higher income families because there is insufficient subsidy to make the rents low enough and still pay the operating costs, mortgage and other expenses.

Thus, no honest housing finance agency can commit to serving exact numbers of residents in certain income levels in inflexible goals, because the field of development has too many uncertainties. It is different situation from that of a social service agency, which can promise that it will provide a certain number of 'service units' to a certain number of clients. Housing development does not work that way, particularly in a city as large as Los Angeles with so many different developments underway. Perhaps if LAHD financed one or two projects a year, it could be more certain as to the outcome; but when the department is handling 20-40 different developments at all stages at any given time, such certainty is not possible.

HACLA is a critical component of the City's effort to provide and maintain affordable housing for extremely low and very low-income residents, whose only access to affordable housing is through federally subsidized housing programs. Residents in publicly subsidized units are generally limited to the federal standard for public housing and Section 8 of 30% of household income. The stability of affordable housing and programs to promote and support self-sufficiency have proven successful in helping many families move up the ladder to low-income, or even to full self-sufficiency.

HACLA is the City's major provider of affordable housing for very low- and extremely low-income residents (0-30% of the County's Median Income) and Section 8 participants. It has often been at the forefront of designing innovative programs to meet the social, educational, and health

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needs of its 103,029 Housing Choice Voucher holders and more than 23,000 public housing residents.

Under the Section 8 program, HACLA serves two areas. In the City of Los Angeles, HACLA administers 51,847 tenant and project-based Section 8 Certificates and Housing Choice Vouchers, including special purpose programs for the homeless, veterans, persons living with HIV/AIDS, and the physically and developmentally disabled. In ten Southern California counties, HACLA's Los Angeles LOMOD Corporation is the HUD-contracted regional Performance-Based Contract Administrator (PBCA) for 610 Section 8 properties, totaling 37,671 units.

Through Section 8 special initiative grants, HACLA offers services to targeted high-priority groups, such as the chronically homeless, the mentally ill, those with chronic substance abuse, and AIDS/HIV patients. The purpose and goals of these programs are to decrease and eventually end homelessness. In addition to housing assistance, through matching funds programs, the Housing Authority coordinates supportive intervention to further promote the clients' stability, to improve the quality of life issues and to move progressively towards self-sufficiency through other programs, such as Welfare-To-Work, Homeownership, etc.

## **2) City Adherence to Section 215 Guidelines**

Section 215 requirements have been met by the LAHD, inasmuch as all housing units assisted with Consolidated Plan grant resources are by definition restricted to renters and buyers with incomes no more than 80% of the Area Median Income (AMI). LAHD's monitoring procedures to ensure adherence to this regulation are more fully described earlier in this report.

## **3) Worst Case Housing Needs**

LAHD's Systematic Code Enforcement Program (SCEP) has a greater impact on existing housing conditions than any other City program, since it is responsible for enforcing State health and safety codes in over 760,000 rental units. Rather than wait for complaints to be filed, the Housing Department regularly inspects all rental housing except single-family homes, at least once every three to five years. In addition, tenants and property owners can file complaints about habitability problems at any time.

Due to its successes, including over 1.5 million violations cited and corrected, SCEP was assigned jurisdiction over residential hotels, also known as single room occupancy (SRO) housing, which is the City's 'last resort housing' for the poorest residents. Many of them are located in Downtown's so-called 'Skid Row', which is home to one of the largest homeless populations in the United States. Over 15,750 units in 261 residential hotels exist in Los Angeles; SCEP has already inspected all of them, ordered repairs and achieved health and safety code compliance in 70% of the units to date.

The number of residential hotel units continues to rise in Los Angeles as surveys conducted by SCEP staff, and information provided by the City's Department of Finance, identifies motels and hotels formerly considered to serve 'transient occupancy needs' which are now providing permanent housing for residents on a month-to-month basis. They then come under the jurisdiction of the City's Rent Stabilization Ordinance and SCEP, which provide additional protections to tenants and ensure safe housing conditions.

Unfortunately, destitute women with children are increasingly showing up in Skid Row. Thus, effective enforcement of state health and safety codes is more critical than ever. A high priority for the Permanent Supportive Housing Program described in the Executive Summary is to assist in the development of housing for homeless families elsewhere in the City.

## **3) Housing Needs of Persons with Disabilities**

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LAHD uses several different approaches to the housing needs of persons with disabilities. In addition to financing the development of affordable housing for a variety of persons with special needs, both physical and mental disabilities – approximately half of the developments funded by the Affordable Housing Trust Fund serve residents with special needs - LAHD also promotes policy change via local legislation and the zoning code such as the 'reasonable accommodations' study and ordinance described above, through its citywide fair housing program. LAHD's Preservation Programs provide rehabilitation loans and grants which often pay for physical accessibility needs of low-income homeowners aging in place, such as ramps, widened doorways and reconfigured bathrooms, which enable them to continue to live independently. In 2004, LAHD conducted a survey of subsidized affordable housing in the City that is accessible to persons with disabilities; that list is maintained on a local website called 'Living Independently in Los Angeles' [www.lila.ucla.edu](http://www.lila.ucla.edu).

Also, the countywide HOPWA program is administered by LAHD, which serves persons with disabilities. In addition to contracting with organizations that provide services to the neediest, LAHD began implementation of the HOPWA Connections Study in the spring of 2005, which was funded by a competitive HOPWA grant awarded to LAHD in 2004. This experience has been rewarding in that it is utilizing a model of delivery called "housing first". By utilizing this model, clients are placed directly into housing from homelessness and provided the services to stabilize and thrive within the household. This model of housing is rooted in the "permanent supportive housing" movement. The premise is that while you provide support services to individuals or families living in the housing, they hold a lease like any other tenant and leave only if they break laws of tenancy or choose to leave.

Now, in the 31<sup>st</sup> Program Year, a new effort—the Permanent Supportive Housing Program (PSHP) - has been initiated, as described in the Executive Summary.

A Permanent Supportive Housing Fund has been established via a partnership of City agencies to provide financing for the development and rehabilitation of permanent supportive housing.

The four City agencies involved in the PSHP – the Los Angeles Housing Department (LAHD), the Community Redevelopment Agency of Los Angeles (CRALA), the Housing Authority of the City of Los Angeles (HACLA) and the Los Angeles Department of Water & Power (LADWP) – have formed such a partnership, joining forces and funding to stem the tide of homelessness. A ten-year Cooperation Agreement has been proposed to govern the administration of their initial contribution to the Permanent Supportive Housing Program as well as all future allocations.

Additionally, the PSHP will work with the Los Angeles Homeless Services Authority (LAHSA) and County agencies to provide the support services so crucial to ending the cycle of homelessness. This combination of permanent housing with on-site services has been proven to be one of the most effective solutions to homelessness. Alliances formed between the housing and service agencies help homeless people secure and keep the housing and services necessary to avoid falling into homelessness once again. Supportive Housing is the cornerstone of the current national movement to end homelessness.

The City is excited about this new program, and looks forward to working closely with HUD on the expansion of supportive housing stock in Los Angeles. HUD should be proud that its resources – from the Consolidated Plan and the Section 8 program - are a major part of this initiative.